

280688



Docket OST 2004 17343-64

**CITY OF DEL RIO**

109 West Broadway  
Del Rio, Texas 78840-5527

DEPT. OF TRANSPORTATION  
DOCKETS

2004 MAY 12 A 10:10

May 10, 2004

Teresa B. Bingham,  
Associate Director  
Dockets Operations and Media Management  
M-30 Room, FL 401  
Department of Transportation  
400 7<sup>th</sup> Street, SW  
Washington, D.C, 20590

RE: Proposal under Small Community Air Service Development  
Program, City of Del Rio, Texas DUNS: 07 848 2262

Dear Ms Bingham

Please accept the City of Del Rio's proposal under the small community air service development program that you announced under Docket OST-2004-17343. Our proposal is fairly straight forward in that we advertised for scheduled air passenger service and received responses from established air carriers with an excellent safety record, on time performance, and are financially sound in their day to day business operations.

Airport management personnel have been in contact with representatives of Continental Airlines and Sky West Airlines. Their representatives have assured us that the community has the proper attitude and answers to their questions. We expect any unanswered questions that they may have can be resolved in a short period of time. Continental Airlines has expressed their unqualified support for our plan and application for assistance .

The major benefit in selecting established air passenger carriers is their code sharing capability. A potential passenger could purchase a ticket anywhere direct to the Del Rio International Airport and any passenger could purchase a ticket at our airport for any other scheduled destination in the United States or any foreign country. This was one of large stumbling blocks of our last airline venture.

We have included our request for the next fiscal year because there will be a certain amount of time before the advertisements and marketing plans become effective. We believe that once this is accomplished the scheduled air service will be able to be self sustaining.

The cash funds, required by the City, are available. The money will be transferred into the General Fund from other enterprise funds. No airport funds will be required.

**PROPOSAL UNDER THE SMALL COMMUNITY AIR SERVICE  
DEVELOPMENT PROGRAM**

**DOCKET - OST – 2004 – 17343**

**Name of community submitting application: City of Del Rio, Texas**

**Legal name: City of Del Rio, Texas DUNS: 07 848 2262**

**Application prepared by: Jack L. Richardson, Airport Manager, Del Rio International Airport**

**DESCRIPTION OF THE DEL RIO INTERNATIONAL AIRPORT**

The Del Rio International Airport is strategically located adjacent to the International boundary with Mexico (N29°22.37' W100°55.55'). New Federal Inspectional facilities are available for arriving passengers and cargo. The airport serves the industrial park and assorted factories in foreign contiguous territory as well as other local area businesses. Air service becomes critical when the factories attempt to meet "Just in Time" delivery requirements by the automotive industry suppliers located in Detroit, Michigan. NAFTA and the Twin Plant operators appear to be a driving force in the overall economy of the region. Twin plants operators have developed a demand for air passenger service that is expected to exceed previous estimates. Airline consultants estimate a demand of 24,000 passengers per year. The Del Rio International Airport's impact on the local economy is \$7 million dollars with secondary impact of \$5.7 million dollars (TxDot report of economic impact of Del Rio International Airport prepared by Wilbur Smith Associates, Inc.)

**The problem for the City of Del Rio and the economic development of our isolated community has been identified as the lack of air passenger service available from our airport.** (Economic Development Strategic Plan prepared by TIP Development Strategies, Inc, September 2002 Exhibit A). Twin plant operators require air passenger service for their business associates, suppliers, executives, technicians, accountants, legal representatives, tax specialists, and other technicians for continued economic development.

The Federal, State, and local governments have invested \$5,921,880 in runway improvements and \$832,000 for a new terminal building. The Aviation Capital Improvement Program prepared by the Texas Department of Transportation for FY 2004-2006 reflects additional runway improvement projects requiring \$8,100,000 to complete. (Exhibit B)

A construction phasing plan has been developed by GRW Willis, Inc. to complete the proposed construction improvements with minimum interference with airport operations. A copy of this plan is attached as Exhibit C. The estimated construction schedule is included as Exhibit D.

The reason for this investment was to provide access to the national and state transportation systems for every person within a 60 minute drive. The closest scheduled air passenger service remains three hours away in San Angelo, Texas or San Antonio, Texas. The end result is isolation of the community from the national transportation system for many of our residents.

A copy of the airport layout plan is attached as Exhibit E. We have completed and occupied a new terminal building with available space for an airline office, Customs and Immigration Inspectional facilities, screening facilities, car rental space, conference room, pilot lounge, flight planning, vending, and administration offices. We have installed security fencing and lighting. A copy of the terminal building plan is attached as Exhibit F. We believe our airport is certifiable under Part 139. A copy of our general aviation safety inspection report is attached as Exhibit G. Items mentioned in the safety report as needing correction, have been corrected. Our airport certification manual, emergency, and security plan have been prepared and are ready to submit to the FAA and TSA for final approval when air passenger service becomes a reality.

The last air passenger service was terminated at our airport in September 1998. The service was provided by Lone Star Airlines which sold to Aspen Mountain Air. This operation was from Torreon, Coahuila, Mexico to Del Rio, Texas to Dallas-Fort Worth, Texas (DFW). Load factors were sufficient. One of the problems was the Aspen Mountain Air's ticket agents would fill the seats in Mexico and their aircraft would over fly Del Rio and report from Inspection at DFW leaving local passengers on the apron. The termination of service was due to over extension of financial resources in other markets, and lack of a code sharing partner with a major carrier operating in the United States.

## **A DESCRIPTION OF THE COMMUNITY AND AIR PASSENGER DEMANDS**

The City of Del Rio, Texas lies about 150 miles West of San Antonio and 150 miles South of San Angelo. (N29°22.37' W105°11.80') The only air passenger service available is approximately three hours drive from Del Rio, Texas to either San Angelo, Texas or San Antonio, Texas. Census reports indicate the City has a population of 33,867 persons with an estimated population for Val Verde County of 45,903. The total area population must be considered to arrive at a reasonable demand figure. Therefore the total population that resides within one hour drive of the Del Rio International Airport is 310,580 persons. This includes the population of the Cities of Ciudad Acuna, Piedras Negras, Coahuila, and Eagle Pass, Texas. There are 78 twin plants located in the area that employ 43,385 persons. The local economy appears to be healthy with a friendly business atmosphere. Educational and entertainment opportunities are available through a community college, two universities, and the Amistad Recreational Area

### **Laughlin Air Force Base**

Laughlin Air Force employs over 4,000 persons counting military personnel, civilian personnel and contract personnel. Their combined expenditures for fiscal year 2002 were \$186,897,041. Classes of 40 flight students graduate every two weeks. The base operates and maintains 248 aircraft, which is the largest fleet in the Air Force's training program. Estimates of their travel requirements for reserve pilots, employees, dependents, and relatives, who desire to attend the ceremony for the graduating pilots, are difficult to quantify. Local officials estimate they would require over 2,000 seats per year for non-military persons.

## **Homeland Security**

Homeland Security has become an extremely important factor in the over all economy of the regional area. The Del Rio Sector of the U.S. Border Patrol has 1,150 employees operating in the area. Their operating budget exceeds 57 million dollars per year. Their travel demands for employ training and deployment of their agents to various hot spots requires about one million dollars per year. Their agents utilize some highly technical equipment which must be serviced by technicians generally located in metropolitan centers.

Port of Entry Inspectors located at Del Rio and Eagle Pass consist of 460 persons who generally travel to federal training centers located in Georgia and Arizona. This group contributes 21.5 million dollars into the local economy and will require over 300 airline trips per year.

## **Twin Plant Operators**

The principle employers adjacent to the Cities of Del Rio and Eagle Pass are the Twin Plant Operators, commonly referred to as "The Maquiladoras". Some of the major United States companies have relocated their factories in Mexico, such as Oster, Alcoa Fujikura Ltd., General Electric, San Antonio Shoe Co., Allied Signal Automotive, Bridgestone/Firestone Del Rio Test Center, Takata Inc., Irvin Automotive, Bendix Commercial Systems, A.O. Smith Electrical Products Co., Kimberly Clark, and Indiana Coupon. They avail themselves of low-priced labor while enjoying the lifestyle of the United States. The major advantage of location in this area is the shorter border crossing times, a minimum union activity and the ability to use U.S. trucks and drivers to deliver to Mexican facilities. Their executives, managers, accountants, investors, mechanics, and suppliers drive the market for airline passenger service.

## **Prior Community attempts to obtain scheduled airline service**

**1998** Participated with Texas Department of Transportation in the Texas Regional Air Service Task Force in Small Market Air Service Assessment

**1998** Received determination from Department of Transportation that Del Rio was not eligible for a minimum level of service. City began creating support for 50/50 Essential Air Service application.

**1999** Participated with Chamber of Commerce and Area Development Foundation in Air Service Forum to develop market base for air passenger service.

**2000** Developed economic development grant application which identified the need for scheduled air service as primary key to the economic development of the regional area.

**2002** Submitted proposal to Small Community Air Service Development Pilot Program

**2003** Submitted proposal to Small Community Air Service Development Pilot Program

**2003** City Council passed resolution to retain R.A. Wiedemann and Associates, Inc. as airline consultants to assist in developing potential air passenger service.

**2003** City of Del Rio advertised for scheduled air passenger service

**2004** Developed a coordinated effort with City Officials, Chamber of Commerce, Area Development Foundation, U.S. Air Force, U.S. Border Patrol, The Maquila Association and other businesses to conduct interviews with Continental Airlines, Sky West Airlines, Air Cap, and others to identify the method of securing scheduled airline service for Del Rio and surrounding area and to fully identify the potential market.

## **RESULTS OF COMMUNITY RECRUITMENT EFFORTS**

The first air carrier to respond to the recruitment effort was Continental Airlines of Houston Texas on December 3, 2003. On January 22, 2003 representatives of Continental came to Del Rio, inspected the airport facility, meet with representatives on the City of Del Rio and Eagle Pass, Texas, elected officials of Ciudad Acuna, Coahuila, Mexico, the Maquila Association, the Chamber of Commerce, Del Rio Area Development Foundation, and visited two large factories in Ciudad Acuna, the A.O. Smith Company and the Bendix Corporation. Mr. Raul Holguin and William Wilkinson explained the travel needs of the Maquila Industry in Ciudad Acuna and Piedras Negras, Coahuila to the representatives of Continental Airlines. A copy of Continental's initial letter of response is attached as Exhibit H. A copy of Continental Airlines unqualified support for this application is attached as Exhibit H-1.

After numerous follow up inquires, we were referred to Sky West Inc. of St. George, Utah. On April 21, 2003 officials of the City of Del Rio and of the support groups, met with Mr. Ken Talley, Director of Properties and Facilities, of Sky West Airlines. He explained his visit to the airport and with all support groups was to determine if Sky West desired to be in the venture with Continental Airlines. After interviewing Mr. Don Newton, of BOSS Border Opportunity Saver Systems, Inc and Mr. Scott Simpton of Takata Inc./Irvin Automotive Gateway Safety Systems Co., our support groups, and our elected officials he returned to their corporate headquarters with a favorable report. Sky West Airline is considering using Embraer 120 Brasilia, a 30 passenger aircraft, for a proposed route from Del Rio to Houston, Texas. This route is based on a potential user survey in which Detroit, Michigan was identified as the preferred destination. Sky West has an excellent safety record and appears to be financially sound.

Air Cap Partners, LLC of Grapevine, Texas also submitted a proposal for a 30 seat passenger airplane to serve the potential air passengers with a destination of San Antonio, Texas and Dallas/Fort Worth, Texas. A copy of Air Cap Partner's proposal is attached as Exhibit I.

All proposals will be considered by the committee and referred to the City Council for selection.

## DRIVE-FLY ANALYSIS

A drive-fly analysis was performed to estimate the potential loss of automobile drivers to the air service system. One of the challenges presented to local operators of small to mid-sized airports is to retain air travelers from their immediate service areas. Too often, air travelers are lured by lower fares to drive to an alternate larger airport to begin the air portion of their trip. This is called the "drive-fly" phenomenon and the term refers to the passenger leakage suffered by local airports to larger nearby airports. This cycle has hurt smaller airports by decreasing demand for airline service locally. This in turn, causes the local airline to cut back the number of available seats, which in turn reduces the service choices from the local airport. The reduction in service choices spurs another round of passenger leakage and the cycle is repeated. For some airports with only one carrier, this cycle has led to the elimination of airline service from the local community altogether. Centralization, much like health care and shopping malls, has been the key to lowering unit costs, and as such, has been used increasingly by the airlines to consolidate air service in centralized hubs.

In San Antonio, the presence of Southwest Airlines is likely to accentuate the drive-fly leakage problem for Del Rio, since low fares create drivers. Industry observers have noted that Southwest Airlines has no airline commuter feeder. Many regional airlines have attempted to become a code share partner of Southwest Airlines, but all have failed. This is because the commuter carrier of Southwest Airlines is the automobile. Auto license surveys in airport parking lots have confirmed the drive-fly phenomenon for Southwest Airlines airports.

In order to better equip Del Rio International Airport management to deal with the drive-fly phenomenon, this paper contains a comparison of the driving costs versus the flying costs for several alternative airports. Often, travelers do not consider the entire cost of driving to an alternative airport to begin the air portion of their trip. This analysis gives a full breakdown of those costs including:

**Mileage Cost** - The average cost of driving an automobile the one-way distance to a nearby airport. This cost was determined by using the maximum tax deduction per mile allowed by the Internal Revenue Service for 2002 (\$0.36).

**Time Cost** - The average cost of time as developed by the US Department of Transportation, Federal Aviation Administration for all air travelers. This cost for airline passengers is \$19.50 per hour for personal time and \$34.50 for business time. When these two categories are weighted and combined, the result is \$26.70 per hour. This amount was used in the model as the cost of time.

APO Bulletin AP0-98-10, Economic Values for Evaluation of Federal Aviation Administration. Investment and Regulatory Programs (Office of Aviation Policy, Plan, and Management Analysis, US Department of Transportation, Federal Aviation Administration, October, 1998).

**Parking Fees** — The cost of parking for both short term and long term lots at airports within the study region. An average trip length of 3.4 days was assumed - all of which was assigned to long term parking rates. These rates differed by airport.

**Airline Fares** - These fares are the one-way city-pair ticket costs, which are estimated using the most recent Standard Industry Fare Level information.

**Automobile Travel Time** - This time is estimated using the distance, type of road (single lane, expressway), and location (rural, urban), along with average speeds for each of these highway types.

**Airline travel time** - This time includes the block hour time required by the airline to travel from city to city, along with the appropriate connecting times at the hub airports.

The purpose of the model is to compare the actual costs of driving to an alternate airport and flying from there to the cost of flying from Del Rio International Airport. To demonstrate the model, a cost comparison example for Del Rio-Houston was used. Since no one is going to drive from Del Rio to Houston to fly from Houston, the model was adjusted to show a drive to San Antonio and then flight from San Antonio to Houston. This is the alternative to flying from Del Rio to Houston.

First, the cost of driving to San Antonio includes all of the costs associated with that mode of travel: the cost of driving the automobile, expressed in terms of cost/mile; the cost of time while driving, valued at \$26.70 per hour; and the cost of parking at San Antonio International Airport. The costs of time were estimated, based upon the use of 4-lane expressways and 2-lane roads. Added to the costs of driving are the block hour time (50 minutes) and air fare (\$92) associated with flying from San Antonio to Houston. When all of the inputs for the costs of time and the costs of the automobile and aircraft were totaled, it can be shown that the cost of driving to San Antonio and flying to Houston from Del Rio totals \$259.60, one-way.

If an airline were to provide service between Del Rio and San Antonio, a direct cost comparison could be made between driving and flying. For this reason, a pro-forma flight was developed in order to examine potential costs. These costs included the average air fare between those Del Rio and San Antonio of \$151.18 (using the SIFL method); the cost of time includes the block hour time needed to fly from Del Rio to Houston, along with an average connecting time of 45 minutes at the Houston International Airport. In addition to these costs, the cost of parking is included, which is significantly less than parking at San Antonio. In total, all of the costs for flying from Del Rio to Houston would total \$216.67, one way.

Given these inputs to the model, the total cost of driving to San Antonio and flying to Houston from Del Rio is more expensive than flying directly to Houston. This cost differential works out to \$42.93 per passenger. The following Tables present the results for Del Rio drive-fly analysis. The main point of the analysis is to publicize and educate the traveling public on the real costs of driving versus flying. But a secondary point should be noted: if the driving cost exceeds the flying cost by any significant amount and if there are more than 15,000 drivers in the city-pair market, there may be feasibility for flying the route.

## Drive - Fly Analysis for: Del Rio - Houston

Parameters			
Mileage Cost	\$0.36	City Pair	Del Rio - Houston
Time Cost (per Hour)	\$26.70	Total Drive Time (Hrs)	2.48
Short Term Pkg (Days)	0.5	Long Term Pkg (Days)	2.8
Short Term Pkg (Destination)	\$18.00	Long term Pkg (Destination)	\$4.50
Short Term Pkg (Local)	\$0.00	Long term Pkg (Local)	\$0.00
One Way Air Fare	\$151.18	Enplanements	12,200
City Expwy MPH	55	City 2 Lane MPH	30
Open Expwy MPH	70	Open 2 Lane MPH	70
Alternative City Block Time (hrs)	0.83	Alternative City Air Fare	92

Driving Cost	
Mileage	\$702,720
Time	\$807,017
Parking	\$263,520
Alt City Block Time Cost	\$271,450
Alt City Fare	\$1,122,400

Flying Cost	
AirFare	\$1,844,356
Time	\$798,994
Parking	\$0

Total \$3,167,107

Total \$2,643,350

Driving Cost Exceeds Flying by: \$523,757

### Per Enplanement Calculations

	Distance (miles)			Time (hours)		
	City	Open	Total	City	Open	Total
Expressway Miles	15	20	35	0.27	0.29	0.56
2-Lane Miles	7	118	125	0.23	1.69	1.92
Total	22	138	160	0.51	1.97	2.48

Time and Mileage Costs					
Distance (miles)			Time (hours)		
City	Open	Total	City	Open	Total
\$8	\$50	\$58	\$14	\$53	\$66

Parking Costs					
Destination Airport			Local Airport		
Short	Long	Total	Short	Long	Total
\$9	\$13	\$22	\$0	\$0	\$0

Driving Cost	
Mileage	\$57.60
Time	\$66.15
Parking	\$21.60
Alt City Block Time Cost	\$22.25
Alt City Fare	\$92.00

Flying Cost	
AirFare	\$151.18
Time	\$65.49
Parking	\$0.00

Total \$259.60

Total \$216.67

Driving Cost Per Person Exceeds Flying by: \$42.93

6-A



6-6

Route Analysis - 30 Seat EMB-120 Aircraft							
Del Rio - Houston							
Weekly Round Trips	Yearly Round Trips	Distance - One Way	Passenger Enplanements	Yearly Cost Totals <sup>1</sup>	Round-Trip Fare <sup>2</sup>	Yearly Revenue Totals	Profit/(Loss)
50% Load Factor							
12	624	341 miles	9,400	\$3,633,800	\$302	\$2,838,800	(\$795,000)
18	936	341 miles	14,000	\$5,446,600	\$302	\$4,228,000	(\$1,218,600)
55% Load Factor							
12	624	341 miles	10,300	\$3,671,400	\$302	\$3,110,600	(\$560,800)
18	936	341 miles	15,400	\$5,505,000	\$302	\$4,650,800	(\$854,200)
60% Load Factor							
12	624	341 miles	11,200	\$3,708,800	\$302	\$3,382,400	(\$326,400)
18	936	341 miles	16,800	\$5,563,200	\$302	\$5,073,600	(\$489,600)
65% Load Factor							
12	624	341 miles	12,200	\$3,750,600	\$302	\$3,684,400	(\$66,200)
18	936	341 miles	18,300	\$5,625,800	\$302	\$5,526,600	(\$99,200)
70% Load Factor							
12	624	341 miles	13,100	\$3,788,000	\$302	\$3,956,200	\$168,200
18	936	341 miles	19,700	\$5,684,200	\$302	\$5,949,400	\$265,200

<sup>1</sup> Costs factors include: EMB-120 block hour costs of \$1,028 (direct), plus \$693 (indirect), plus 10% profit, plus all federal taxes & PFCs.

<sup>2</sup> Round-Trip air fare is calculated based upon the latest Standard Industry Fare Level (SIFL). Calculation for SIFL is \$37.76 Terminal charge plus \$0.2065 per mile for trips under 500 miles. (Source: USDOT, 3/5/03).

## **A STRATEGIC PLAN FOR MEETING THE NEEDS UNDER THE SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM.**

The Del Rio International Airport, after conferring with the Airport Advisory Board, and the approval of the City Council, intends to enter into an agreement with Continental Airlines and their fee departure carrier, Sky West Airlines, to supply scheduled air passenger service consisting of at least two flights per day to Houston, Texas. The City intends to share the financial risk with the carrier by developing a specific break even point for the type of aircraft utilized. In the event passenger load factor does not meet the break even point, the City will make up the difference to the carrier to ease their financial risk.

A cost analysis has been prepared for nine passenger and nineteen passenger aircraft. These aircraft appear to be uneconomical for this route. Therefore, the City desires to enter into an agreement with a carrier that uses 30 passenger aircraft.

The Federal and State governments have invested heavily in airport improvements at this airport. Contract documents and specification for airport improvement project at the Del Rio International Airport (TX Dot CSJ No. 0122DLRIO) have been received. A time line for construction activities has been attached as Exhibit D. The value of this improvement project is approximately \$8,100,000 dollars. Project engineers believe this project can be accomplished without serious interference with scheduled air passenger service activity.

A time line for the Small Community Airport Service Development Program is attached as Exhibit J. The time line is for the remainder of the year 2004 and all of 2005. At the end of the year 2004 circumstances at this airport should indicate success or failure of the venture. Our support organizations and individual businesses have indicated a desire to insure the success of the air carrier. Such support is indicated by the attached letters (Exhibit K through K-21) from The Del Rio Chamber of Commerce and other businesses, outlining their distribution of airline information and how they plan to assist in the success of the proposed venture. Our elected officials have indicated in a very public way that they intend to support the airline to the maximum amount the general fund balance will permit. With the attitude of the general population of the community, we believe the scheduled air passenger service will be sustained.

Continental and Sky West Airlines have their own successful marketing section which coordinates their advertising. In the event that marketing becomes a problem, Cox Media has developed a plan for marketing scheduled air passenger service. This plan includes the regional area and the major areas in Mexico with newspaper, television, and radio coverage. A copy of this plan is included as Exhibit L, and can be accomplished for \$75,000 per year or less depending on that portion of the plan that is implemented.

We believe that our scheduled airline service activity and construction activity can be coordinated by our engineers and management staff to allow the City to use Small Community Program funding in a timely manner.

## **A DESCRIPTION OF ANY PUBLIC PARTNERSHIP THAT WILL PARTICIPATE IN THE PROJECT.**

The City of Del Rio, supported by the business community, is actively seeking to enter into a public-private partnership to facilitate air service to the public. This partnership will be between the City of Del Rio and the selected airline. The City has expressed interest in selecting an established carrier with 30 passenger aircraft that has a good on time arrival and safety record.

Continental Airlines and Sky West airlines meet the City Council's requirements. After final selection, the proposed partnership will consist of the City of Del Rio, Continental Airlines and Sky West Airlines. Other entities such as Val Verde County, City of Eagle Pass and our sister City of Ciudad Acuna will be invited to join us in sponsoring the Airline. The level of their participations has yet to be determined.

The lead role in the venture will be the City of Del Rio, who will supply \$106,250 for their part in the venture. Continental indicates a desire to utilize a contract carrier, such as Sky West Airlines, to supply a turn key operation from Del Rio to Houston. The Del Rio International Airport will not charge landing fees and will supply office space at no charge for the contract carrier's operation. The Airport will provide parking at no charge for their employees. The only areas in the new terminal building that will be reserved by the City are those areas required by Homeland Security, The Economic Development Coordinator and the Airport Manager.

Specific responsibilities appear to be that Continental Airlines will coordinate our flights to mesh with their scheduled flights to Detroit and other Hubs utilized by passengers desiring to travel to the interior of the United States, and provide code sharing for ticket sales and reservations. Sky West will provide the aircraft, the crew, the ground services and training of the flight crews. Sky West will be responsible for providing sufficient manifest data to enable the City to monitor the operation to an extent that will enable the Finance Director to forecast any subsidy requirements in advance.

The contract will allow all parties an option to terminate the operation on a 30 day notice should the venture prove to be ineffective for some unforeseen reason. All parties will fully understand that federal and city assistance will only be for that period required to establish the service and assist in its development to a stand alone operation that will continue after the subsidy is terminated.

**A DETAILED DESCRIPTION OF THE FUNDING NECESSARY FOR IMPLEMENTATION OF THE COMMUNITY'S PROJECT INCLUDING THE FEDERAL AND NON-FEDERAL CONTRIBUTIONS.**

Amount required FY 2004			
Federal	\$318,750	Total Cost of Project	\$430,209
City	\$106,250		
Total	\$425,000		
In kind airport (office rent waived)	\$5,209		

**Cash from non-airport revenues.**

The City will transfer their required cash contributions from the general fund into a special account at one of the local banks. All draws will be made from this account. At present only cash from the general fund is considered available for this project.

**Cash from Airport Revenues.**

Cash from airport revenues should not be considered for this project because of assurances signed with the federal government when the airport was constructed.

**In Kind Contributions from the Airport.**

The recently completed terminal building was designed for an airline office with two waiting rooms. The total area available for the use of the airline office operations and supporting activities is 1,184 square feet valued at \$4.40 per square foot equals \$5, 209 per year contribution for the support of the project. Landing fees were not considered because the airport does not charge landing fees to any arriving aircraft in normal operations. Parking was not considered because the airport has not been required to charge parking fees for arriving and departing land vehicles. Fuel flow fees also were not considered because if the airport waived the fuel fees for one operation we may be required to waive them for all operators.

**In kind contributions from the community**

Civic organizations and local advertising companies have indicated a desire to contribute to the project. Their contributions have not been calculated until they become more identified. The prospective airlines have mentioned reduced fares as an incentive to increase passengers. We will calculate the value of the reduced fares when the service begins to operate.

## **City of Del Rio General Fund Reserves**

The general fund reserve report from the Finance Director for period ending September 30, 2003 is attached as Exhibit M. The general fund balance is reported at \$7,169,245. A combining statement of net assets is also attached as Exhibit N, and the combining balance sheet as Exhibit O. The Capital Improvement Projects for the City of Del Rio are attached as Exhibit P.

## **Budget for the Del Rio International Airport**

The Del Rio International Airport functions as an Enterprise Fund within the Budget of the City of Del Rio. A copy of our budget and summary of expenses are attached as Exhibit Q.

The City of Del Rio is able to commit the cash funds reported under the non-airport revenue sources.

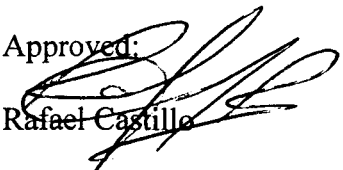
## **Consultants**

The City does not plan on retaining any consultants that will be paid from these funds. GRW Willis, Inc. will serve as the architect and engineer for the construction project that will be on going during the implementation of this project. R.A. Wiedemann & Associates, Inc. has been reimbursed for their professional services. No additional employees will be required to implement this project.

## **List of Exhibits**

Exhibit A	Summary of Strategic Recommendations
Exhibit B	TX Dot Aviation Capitol Improvement Program (2004-2006)
Exhibit C	Construction plan prepared by GRW Inc.
Exhibit D	Estimated Construction Schedule
Exhibit E	Airport layout plan
Exhibit F	Terminal Building Plan
Exhibit G	FAA Safety inspection report
Exhibit H	Initial response from Continental Airlines
Exhibit H-1	Letter of unqualified support from Continental Airlines
Exhibit I	Letter of response prepared by Air Cap Partners LLC
Exhibit J	Time line for implementation of project
Exhibit K	(K-1 through K-29) Letters of support from Community
Exhibit L	Cox media plan
Exhibit M	General Fund Reserve Report
Exhibit N	Combining statement of net assets
Exhibit O	Combining balance sheets
Exhibit P	Capital Improvement Plan for the City of Del Rio
Exhibit Q	Del Rio International Airport Budget and summary of expenditures

Approved:

  
Rafael Castillo

The strategic plan for Del Rio is structured around four broad economic development challenges, many of which are closely related and will require a coordinated response from the organizations responsible for implementing the plan. The primary economic development challenges Del Rio faces include:

- Challenge One: To position Del Rio as a city that is open for business.
- Challenge Two: To improve the city's transportation access and physical infrastructure in order to take advantage of emerging economic development opportunities.
- Challenge Three: To expand the educational opportunities and workforce training programs in the community.
- Challenge Four: To enhance Del Rio's quality of life.

## Summary of Strategic Recommendations

The plan includes a comprehensive set of strategic recommendations that address each of the challenges outlined above. Each strategy is followed by a set of specific action steps that will need to be undertaken in order to carry out the strategies.

The team has identified three recommendations that, if successfully implemented, will have the greatest impact on Del Rio's economic growth. These recommendations include:

1. Secure scheduled air service
2. Establish a formal economic development program with dedicated and sustainable funding.
3. Continue to aggressively pursue state and federal funding for major projects.

Re-establishing scheduled air service would have the most significant impact on the economic development potential of the community. The ability to fly into and out of Del Rio without having to commute to San Antonio would make the city a more attractive location for new business investment and would reduce the cost of business for existing companies. The city's efforts to support air service should focus on the demand from the maquiladora industry, the Border Patrol, Laughlin Air Base, and the local business community. The city should also seek to attract a regional carrier that is a code share partner of a national carrier, thus enabling passengers to pay a single fare from point of origin to final destination.

In the current competitive environment for new business recruitment, Del Rio must establish a formal economic development program that enjoys stable funding if the city is to become a legitimate contender for new business locations. Del Rio must compete with hundreds of other Texas cities that have passed an economic development sales tax to fund professionally-led economic development programs, including incentives. Dedicated funding would allow the city to launch an economic development program that includes targeted marketing, public relations, business retention activities, and trained staff support. In addition, resources could

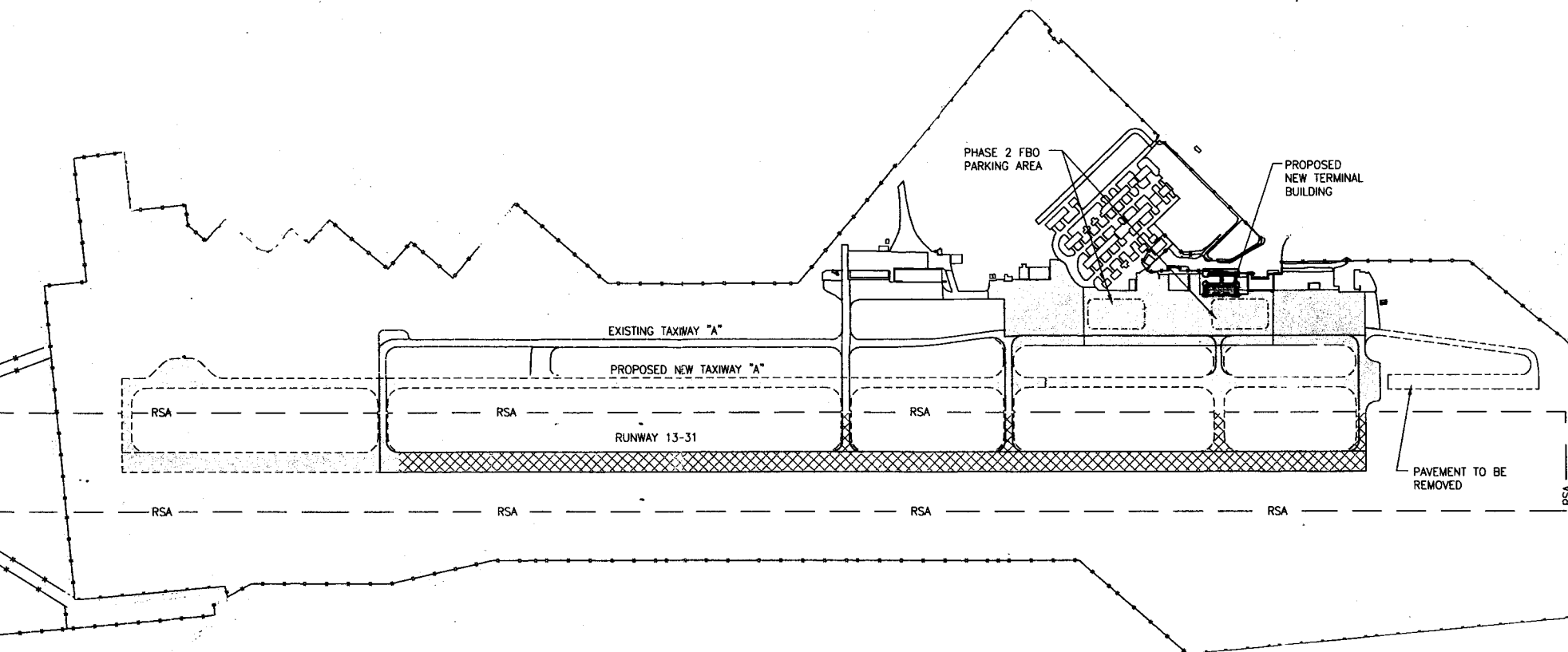
**AVIATION CAPITAL IMPROVEMENT PROGRAM — 2004-2006**
*Locations, Based Aircraft, Projects, and Costs*

Texas Department of Transportation—Aviation Division

August 4, 2003

**FEDERAL & STATE FY 2004** *Federal FY 2004 (October 2003-September 2004)/State FY 2004 (September 2003-August 2004)*

City & Airport	Based Project Aircraft Description	Project Costs			
		Total	Federal	State	Local
Dallas Addison Addison	715 Engineering/design for FYs 2006 & 2007 construction projects <i>Note: Construction projects to be funded w/ discretionary money</i>	\$1,000,000	\$900,000	\$0	\$100,000
Dallas Dallas Executive Airport	173 Reprofile intersection of RW 13-31 & RW 17-35	\$750,000	\$675,000	\$0	\$75,000
	Upgrade RW 13-31 lighting	350,000	315,000	0	35,000
	Upgrade signage	100,000	90,000	0	10,000
		<b>\$1,200,000</b>	<b>\$1,080,000</b>	<b>\$0</b>	<b>\$120,000</b>
Decatur Decatur Municipal	46 Engineering/design for FY 2005 construction project <i>Note: NPE money also used for this project</i>	\$118,000	\$106,200	\$0	\$11,800
Del Rio Del Rio International Airport	39 Extend RW 13-31 (1300x100) 13 end	\$855,000	\$769,500	\$0	\$85,500
	Overlay RW 13-31 (5000x100)	750,000	675,000	0	75,000
	Mark RW 13-31 (32900 sf)	25,000	22,500	0	2,500
	Reconstruct old RW as parallel TW (4200x50)	970,000	873,000	0	97,000
	Extend parallel TW (2420x50)	745,000	670,500	0	74,500
	Reconstruct apron (61000 sy)	2,500,000	2,250,000	0	250,000
	Widen apron (1800x210)	1,775,000	1,597,500	0	177,500
	Extend MIRL RW 13 end (1300 lf)	70,000	63,000	0	7,000
	Relocate PAPI-4 RW 13 end	75,000	67,500	0	7,500
	Relocate MALS RW 13 end	150,000	135,000	0	15,000
	Install fence (8000 lf)	130,000	117,000	0	13,000
	Relocate road	55,000	49,500	0	5,500
		<b>\$8,100,000</b>	<b>\$7,290,000</b>	<b>\$0</b>	<b>\$810,000</b>
Denton Denton Municipal	225 Engineering/design for FY 2005 construction project	\$227,000	\$204,300	\$0	\$22,700
Eagle Lake Eagle Lake	11 Engineering/design for FY 2005 construction project	\$99,000	\$0	\$89,100	\$9,900
Eldorado Eldorado	1 Install MIRL RW 17-35 (4300 lf)	\$188,000	\$0	\$169,200	\$18,800
	Install windcone	6,000	0	5,400	600
	Install segmented circle	6,000	0	5,400	600
		<b>\$200,000</b>	<b>\$0</b>	<b>\$180,000</b>	<b>\$20,000</b>



# LEGEND

□ PHASE 1

- A. RECONSTRUCT & EXPAND APRON AREA (CENTER AREA AS SHOWN)
- B. WIDEN & EXTEND THE STUB TAXIWAY IN FRONT OF THE NEW TERMINAL BUILDING
- C. CONSTRUCT NEW PARALLEL TAXIWAY "A"

□ PHASE 2

- A. RECONSTRUCT & EXPAND APRON AREA (NORTH AND SOUTH ENDS AS SHOWN)
- B. EXTEND RUNWAY 13-31 TO 6,300 FEET

▨ PHASE 3

- A. OVERLAY THE ENTIRE RUNWAY WITH 2" HMA
- B. WIDEN THE STUB TAXIWAYS

□ PHASE 4

- A. REMOVE PAVING AS SHOWN

**DRAFT**

DEL RIO INTERNATIONAL AIRPORT  
CONSTRUCTION PHASING PLAN  
DEL RIO, TEXAS

GRW WILLIS, INC  
DECEMBER 16, 2002

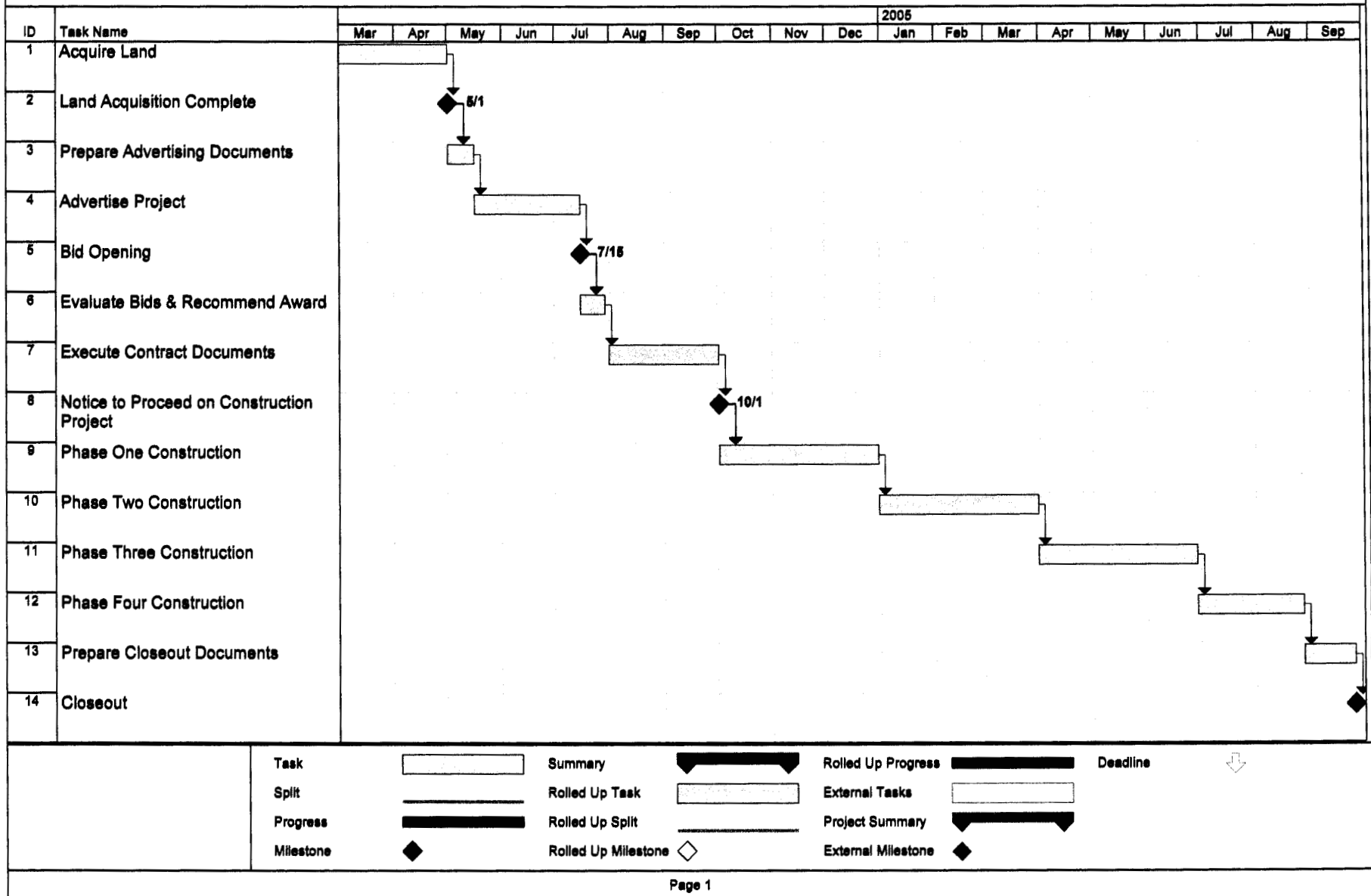
1000'

00'

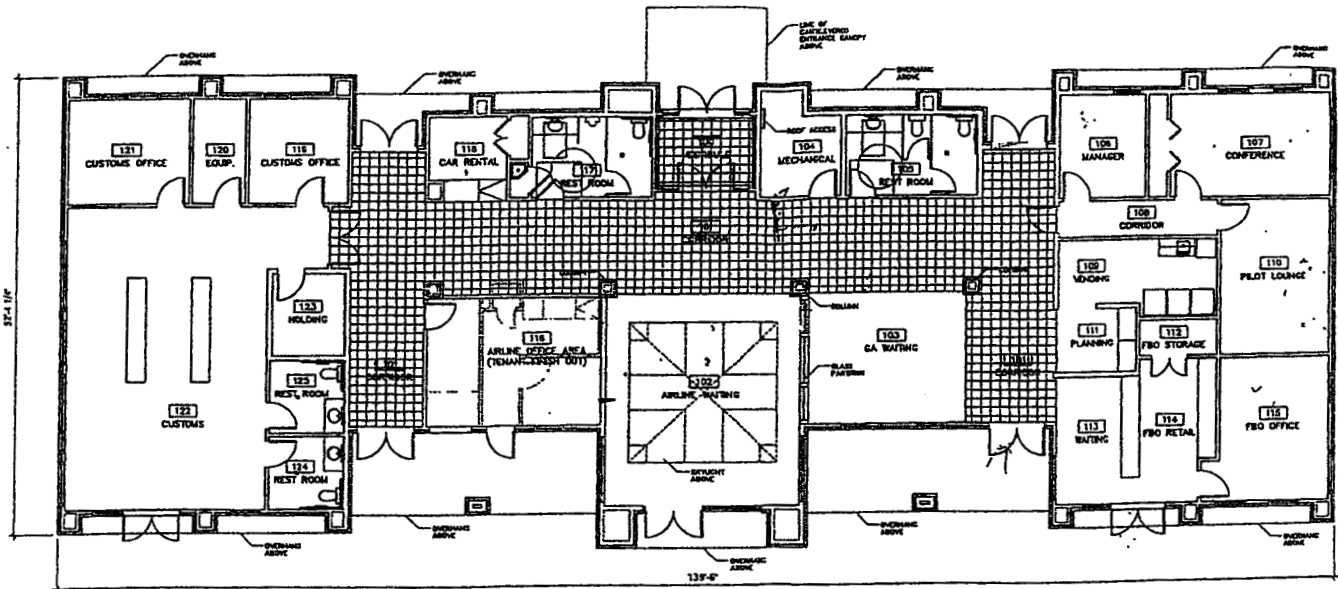
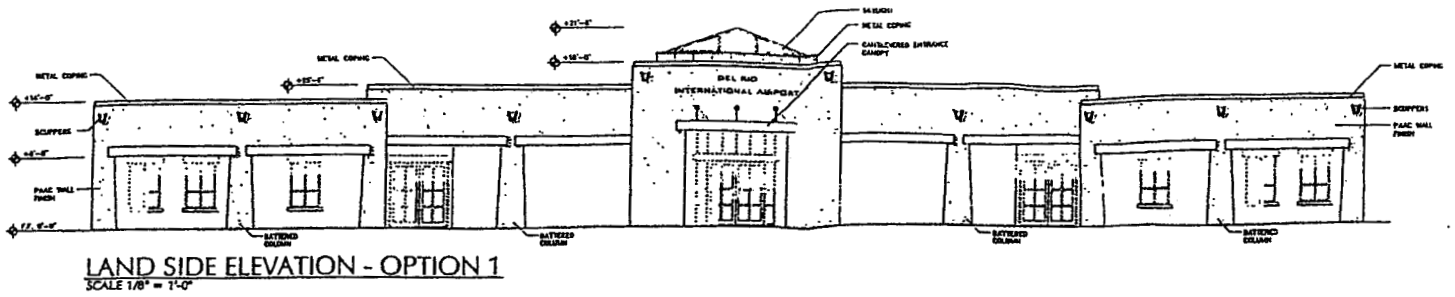


Del Rio International Airport  
 Estimated Construction Schedule  
 TxDOT CSJ No. 0122DLRIO

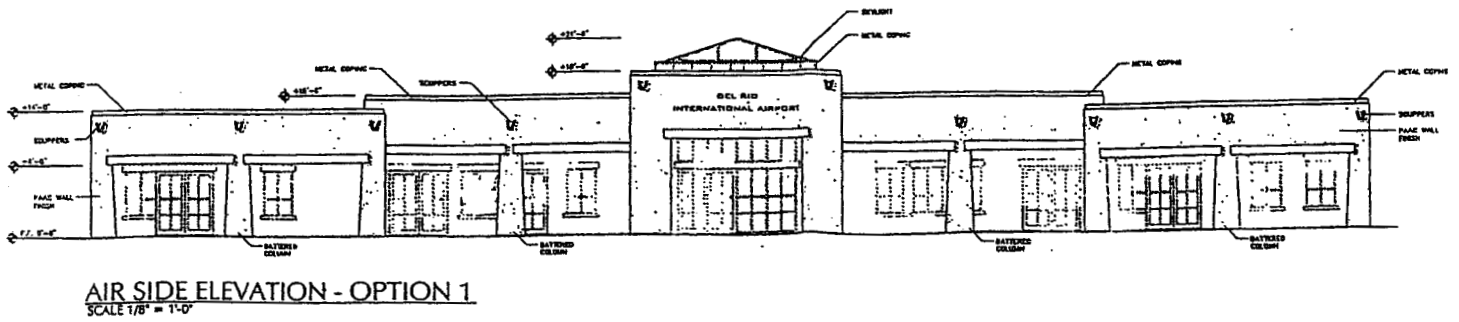
GRW Willis, Inc.  
 March 30, 2004



## Terminal Building Plan



**FLOOR PLAN**  
SCALE 1/8" = 1'-0"





U.S. Department  
of Transportation  
**Federal Aviation  
Administration**

Southwest Region  
Arkansas, Louisiana,  
New Mexico, Oklahoma,  
Texas

Fort Worth, Texas 76193-0000

February 6, 2004

Mr. Jack Richardson  
Airport Manager  
Del Rio International Airport  
109 West Broadway Street  
Del Rio, TX 78841

Dear Mr. Richardson:

A general aviation airport safety inspection was conducted at the Del Rio International Airport February 2-3 2004. The inspection is part of the Federal Aviation Administration (FAA) Southwest Region's General Aviation Airport Safety Program. The General Aviation Safety Program is designed to provide a safety analysis of the airport as a team effort to enhance aviation safety.

The inspection also provided an opportunity to evaluate the airport based on plans to apply for a Part 139 Airport Operating Certificate. The following observations and recommendations were developed as a result of the inspection:

**General:** The overall appearance of the airport was generally good with significant areas of the airport closed for construction of the new runway. The airport has a new terminal and line service provided by one fixed base operator. A major airport improvement project is scheduled for this fiscal year.

**Airport Improvement Project:** Land acquisition for the runway extension is in progress with plans to complete this phase of the improvement project by April 30, 2004. The three phases of the airport improvement project is scheduled to be completed by the end of this fiscal year and include the following:

1. The overlay and extension of the new runway from 5000-feet to 6,300-feet.
2. Reconstruction and converting the old runway into a parallel taxiway.
3. Reconstruction of the apron areas.
4. Relocating a perimeter road.
5. Relocating the MALSR approach light system.

**Taxiway Guidance and Directional Signs:** A taxiway guidance sign plan for the airport was reviewed and corrected by our office. However, the existing signs do not include all of the signs required by the standards. To meet the Part 139 requirements, the new taxiway guidance signs should be installed in accordance with the sign plan accepted by the FAA and in accordance with Advisory Circular (AC) 150/5340-18C Standards for Airport Sign Systems.

**Taxiway Lighting:** Taxiway centerline reflectors are used to provide guidance to the pilot during the hours of darkness. However, the centerline reflectors consist of a combination of green and yellow reflectors. Using yellow reflectors to identify the taxiway centerline is not acceptable for meeting the Part 139 requirements.

To insure compliance with the new Part 139 regulations, the new taxiways should be marked with green centerline retro reflective markers. Centerline retro reflective marker specifications and installation standards can be found in AC 150/5345-39, FAA specification L-853, Runway and Taxiway centerline Reflective Markers and AC 150/5340-20, Installation Details and Maintenance Standards for Reflective Markers for Airport Runway and taxiway Centerlines.

**Runway and Taxiway Pavement Marking:** The runway and taxiway markings lack contrast with the pavement. Faded markings and oxidation of the pavement asphalt are the two major contributing factors to this condition. To help reduce the effects of faded marking and pavement oxidation, we recommend that the runway and taxiway markings be outlined with a six inch black border.

In addition, the pavement marking standards require that the size of the runway hold position markings be increased in width from six inches to 12 inches with a 12 inch black border. Refer to AC 150/5340-IH Standards for Airport Markings.

**Proposed Part 139 Regulations:** A discussion was held concerning the potential impact of the proposal to apply for a Part 139 Airport Operating Certificate and the new Part 139 regulations. The discussions were general in nature relating only to the proposed rule making and included:

1. Potential Aircraft Rescue and Firefighting requirements
2. Marking and Lighting requirements
3. Fuel safety inspections, inspection records and training
4. Personnel training requirements
5. The requirement for sufficient qualified personnel

6. A taxiway guidance sign system; and
7. An Airport Certification Manual

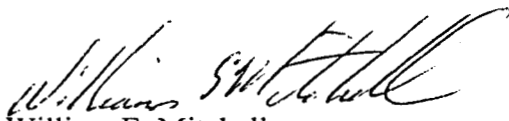
Additional information concerning our comments and/or recommendations can be found in the following AC/s:

1. AC 150/5340-24, Runway and Taxiway Edge Light Systems
2. AC 150/5345-44F, Specification for Taxiway and Runway Signs
3. AC 150/5200-18D, Airport Safety Self Inspection
4. AC 150/5370-2D, Operational Safety on Airports During Construction ✓
5. AC 150/5210-20, Ground Vehicle Operations on Airports ✓
6. FAR Part 77, Objects Effecting Navigable Airspace ✓

All of the above listed AC/s and regulations can be downloaded from the FAA web sit, at [www.faa.gov/arp/arphome.htm](http://www.faa.gov/arp/arphome.htm).

The courtesy and support extended to us during the inspection is greatly appreciated. If we can be of any assistance, please feel free to contact us. I can be contacted at (817) 222-5625 or [bill.Mitchell@faa.gov](mailto:bill.Mitchell@faa.gov).

Sincerely,



William E. Mitchell  
Airport Certification Safety Inspector

cc:  
Texas Department of Transportation  
Division of Aviation  
125 East 11th Street  
Austin, TX 78701-2483

# Continental Airlines



December 3, 2003

Continental Airlines, Inc.  
PO Box 4607 HQSSK  
Houston TX 77210-4607

Tel 713 324 5000  
Fax 713 324 2660

Jack L. Richardson  
Airport Manager  
1104 West 10<sup>th</sup> Street  
Del Rio, TX 78840

Dear Mr. Richardson:


I received the City of Del Rio's proposal for air service today, and I would like to submit Continental Airlines Express/Connection for your consideration. However, because I just received the proposal, I would like to propose that a team from Continental makes a visit to Del Rio in January to thoroughly evaluate the market and get a better feel for the demand. Following our visit, we could make a final proposal to the city shortly thereafter.

While your specifications call for service to Dallas/Ft. Worth, Continental Express/Connection proposes flights to Houston's Bush Intercontinental Airport (IAH). From IAH, Continental offers 538 flights to 153 cities in North America, South America, Europe, and Asia. We would meet the twice daily service at least six days per week as the RFP calls for to connect Del Rio to the world through Continental's Houston hub.

Continental Airlines is the world's seventh-largest airline with more than 2,200 daily departures to 127 domestic and 96 international destinations throughout the Americas, Europe and Asia. With 42,000 mainline employees, the airline has hubs serving New York, Houston, Cleveland and Guam, and carries approximately 41 million passengers per year. Fortune ranks Continental one of the 100 Best Companies to Work For in America, highest among major U.S. carriers in the quality of its service and products, and No. 2 on its list of Most Admired Global Airlines. For more company information, visit [continental.com](http://continental.com).

I will be in contact with you to schedule our visit, if our submission meets with the City's approval.

Sincerely,

  
Robert J. Cortelyou  
Staff Vice-President  
Scheduling

cc: R. A. Wiedemann

# Continental



Continental Airlines, Inc.  
PO Box 4607 HQSSK  
Houston TX 77210-4607

Tel 713 324 5000  
Fax 713 324 2660

May 6, 2004

The Honorable Norman Mineta  
Secretary  
U.S. Department of Transportation  
400 Seventh Street, SW  
Washington, DC 20590

Dear Secretary Mineta:

I would like to express the unqualified support of Continental Airlines for the application of the City of Del Rio, Texas for funding under the Small Community Air Service Development Program. We have been closely involved with this community over the past several months and they have worked to demonstrate the potential of this community and region for service by Continental.

This program, as a part of the omnibus AIR 21 legislation, was created specifically to help communities like Del Rio help themselves. As an airline evaluating numerous cities for new service, we see the value that the program can bring to communities that develop meaningful ways to garner support for our service and reduce our risk in entering a new market. We believe that the Del Rio plan would enable Continental to successfully introduce new prop service to Del Rio and the region of Val Verde County area if they are successful in gaining a grant award under this program.

On behalf of Continental Airlines, I ask you to give their application every favorable consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bob Cortelyou', with a stylized flourish at the end.

Bob Cortelyou  
Staff Vice President-Scheduling  
Continental Airlines



## **AirCap Partners, LLC**

203 Church Street, Grapevine, Texas 76051  
A Transportation Planning Group

FAX: 830-774-8538

Mr. Jack L. Richardson  
International Airport Director  
City of Del Rio  
109 W. Broadway  
Del Rio, Texas 78841

February 27, 2004

Subject: Air Service Proposal for Del Rio

Dear Mr. Richardson:

I apologize for not being able to present this in person to you and to your airline committee this month as planned. AirCap is in the process of setting up a major shuttle service in a Western State and this has consumed most of our time this month. However, in the process an opportunity to bring air service to Del Rio was found. We should reach some understanding on the revenue guarantee aspects prior having a meeting, since it is somewhat unique as I'll explain. I will be glad to commit to make a presentation to you with additional detail should you decide it worthwhile.

This service is in line with the expectations I understood from our meeting late last year and will include service to both DFW and SAT. I think service to both cities makes sense since it will cater to both local markets as well as open up more beyond possibilities than just service to DFW. Also, having four departures with a 30+ seat aircraft will allow more enplanements at Del Rio so as to help you with future FAA Airport Development funding.

Under this proposal, AirCap would contract with a fully certificated part 121 airline to provide the service on a joint basis. The airline will provide a Saab 340 aircraft, operating authority, flight crews, maintenance and insurance for a minimum of one year. AirCap will be responsible for all other issues.

Provided we can reach agreement on the revenue guarantee requirement for this service, flying operations could begin on 60 days notice.

The following would be our proposed schedule. These flights would operate Monday-Friday. On Saturday, only the morning flights from Del Rio would operate. On Sunday, only the evening flights would operate. The aircraft and crews would be based in Del Rio (so as to give service priority to



Del Rio passengers) as well as the airline maintenance that supports the aircraft. AirCap customer service personnel would also be locally hired and we will consider placing our reservations staff in Del Rio as well. The aircraft would be used exclusively for the Del Rio service.

**Del Rio to both DFW and SAT**

<u>DRT</u>	<u>SAT</u>	<u>DFW</u>
700	→	830
1030	←	900
1100	→ 1145	
1300	← 1215	
1600	→	1730
1930	←	1800
2000	→ 2045	
2200	← 2115	

Based on this schedule and the cost to manage and operate it, we expect the cost will approximate \$597,000 monthly, representing a cost per available seat of approximately \$87. The fixed cost components involved will require a minimum monthly guarantee of \$420,000 from Del Rio as well as a small cost of around \$750-\$800 per flight hour to cover other costs. The fixed cost would cover the airline as well as the AirCap costs and lease obligations. The hourly cost would cover fuel, airline reserves for parts and other items.

I propose the revenue guarantee program be handled as follows. The City of Del Rio will provide a letter of credit sufficient to cover any deficits from the \$597,000 revenue required to cover the monthly costs for the duration of the contract. The amount of the letter of credit will need to be agreed based on the annual revenue plan as well as any cancellation charges and penalties that result from early cancellation. The minimum service agreement would be one year or longer with renewal options. In this agreement, we would also seek a guarantee for lease commitments required to set up the operation.

Revenues up to the \$597,000 would be credited against the guarantee each month. The following table illustrates how this might work, based on our views of the average fares that would apply for similar markets and assuming equal distribution of traffic:

		<u>SAT</u>	<u>DFW</u>	<u>Total</u>		
	seats	3432	3432	6864	\$	86.98
	avg price	\$ 99	\$ 175			
	max revenue	\$ 339,768	\$ 600,600	\$ 940,368		
	cost			\$ 597,000		63.5%
<u>Seats</u>	<u>Load Factor</u>	<u>SAT Revenue</u>	<u>DFW Revenue</u>	<u>Total Revenue</u>	<u>Monthly Result</u>	
16.5	50%	\$ 169,884	\$ 300,300	\$ 470,185	\$	(126,816)
18.2	55%	\$ 186,872	\$ 330,330	\$ 517,203	\$	(79,797)
19.8	60%	\$ 203,861	\$ 360,360	\$ 564,221	\$	(32,779)
21.5	65%	\$ 220,849	\$ 390,390	\$ 611,239	\$	14,239
23.1	70%	\$ 237,838	\$ 420,420	\$ 658,258	\$	61,258
24.8	75%	\$ 254,826	\$ 450,450	\$ 705,276	\$	108,276
26.4	80%	\$ 271,814	\$ 480,480	\$ 752,294	\$	155,294
28.1	85%	\$ 288,803	\$ 510,510	\$ 799,313	\$	202,313

AirCap will also agree to escrow a share of revenues in excess of the \$597,000 monthly amount, to offset future monthly deficits. Details of this would also have to be worked out.

In terms of revenue and traffic expectations, I will defer to your consultant to advise you on these since he has already extensively researched your markets. I am forwarding this proposal to him as well.

Thank you for taking the time to consider this proposal. Once again I apologize for not being able to meet with you this month but I can be available in early March to share additional information on this proposal if we each believe it represents an approach Del Rio will consider.

Sincerely,

Richard A. Bauer  
President, AirCap Partners, LLC

Cc: Mr. Rafael Castillo, City Manager  
Mr. Randal A. Wiedemann, R. A. Wiedemann & Associates, Inc.

**Del Rio International Airport  
Time Line- Small Community  
Airport Service Development Program**

**Del Rio International Airport**  
**May 3, 2004**

**Duns Number 07 848 2262**

[illegible]

May 5, 2004



*The Best of The Border*

Mr. Jack Richardson, Director  
Del Rio International Airport  
1104 W. 10<sup>th</sup> St.  
Del Rio, Texas 78840

Dear Mr. Richardson:

The Del Rio Chamber of Commerce fully supports the City of Del Rio in its efforts to obtain scheduled airline service for Del Rio and the community.

The Chamber of Commerce consists of more than 500 business members, and the membership has a good understanding of the necessity of local air service in the growth and prosperity of the city and area. The Chamber has many outlets to assist with promotion of an airline company. These include promoting service to chamber member businesses; area residents, including those in Ciudad Acuña (10 minutes away, with about 160,000 population) and Laughlin Air Force Base; and to tourists, through the Chamber Tourism & Conventions Department.

The Chamber publishes a monthly newsletter for its membership, does direct mailouts, has an excellent web site, and hosts monthly "Business After Hours Mixers". In addition, the Chamber is involved in city projects and with local civic organizations such as the two local Lions Clubs, Rotary Club and American Red Cross. Our annual Directory/Laughlin AFB Guide (5,000 each year are printed) is sent in response to inquiries from visitors and distributed at the Chamber and to incoming Laughlin AFB personnel. Information on air service would definitely be included in this publication.

The Tourism & Conventions department does extensive advertising around the state, extending into additional states and the interior of Mexico. In addition, the tourism program involves approximately five travel shows a year, statewide conferences and networking through the Texas Tourism Industry Association and Texas Association of Conventions and Visitors Bureaus, and hosting state and regional conventions. More groups would have their conventions in Del Rio if they were able to travel by air.

During FY 2002-2003, T & C answered a minimum of 5,253 inquiries, and distributed 116,489 brochures and handouts, including 11,310 Motel Campground Restaurant Guides, which could include information on air service.

Mr. Richardson, we commend your efforts on behalf of Del Rio to obtain air service. The Del Rio Chamber of Commerce will do everything in its power to assist the City of Del Rio to that end.

Sincerely,

Rachel Beavan, President  
Del Rio Chamber of Commerce

City Of Del Rio, Texas

Exhibit

K-1

merce • 1915 Veterans Blvd. • Del Rio, Texas 78840 • 830/775-3551 • FAX 830/774-1813



**Department of Homeland Security**  
**Bureau of Customs and Border Protection**  
**U.S. Border Patrol**

DRT 100/15-C

*Office of the Chief Patrol Agent*  
*U.S. Border Patrol*  
*2401 Dodson Avenue*  
*Del Rio, Texas 78840*

May 4, 2004

Jack Richardson  
Aviation Manager  
Del Rio, Texas

Mr. Richardson,

Del Rio Border Patrol Sector fully supports a regularly scheduled commercial airline that services Del Rio. I am responsible for securing 205 miles of International Border and commercial service will allow me greater flexibility in managing my resources. Additionally, my resources are routinely being assigned to national security missions throughout the United States and in foreign countries and locally available commercial airline service will allow those men and women to respond in a more timely fashion negating the currently necessary overnight travel to San Antonio.

Last year Del Rio Sector purchased 1,519 airfares departing from San Antonio. I estimate that 75% of those traveling would opt to depart Del Rio to avoid the drive to San Antonio, or approximately 1,063 flights. As staffing has increased this year, I would anticipate that there would be a natural increase in travel from last year. Additionally, trainees arrive in Del Rio, almost monthly, and would account for an additional 300 flights.

Currently, official visitors traveling to Del Rio all fly into San Antonio and drive to Del Rio. I estimate, based on my eleven years as the Chief Patrol Agent, that official visitors would probably account for another 500 flights.

Sincerely,

*Paul M. Berg*  
Paul M. Berg  
Chief Patrol Agent

City Of Del Rio, Texas

Exhibit

K-2

May 7, 2004

Jack L. Richardson, Airport Manager  
Del Rio International Airport  
1104 West 10<sup>th</sup> St.  
Del Rio, Texas 78840

Dear Mr. Richardson,

The Bilateral Committee of the Chambers of Commerce from Del Rio Texas and Cd. Acuña, Coahuila, Mexico would like to congratulate you on all the efforts you and your staff have made in persuading and bringing to reality a commercial airline service our airport.

As you know, The Bilateral Committee has been very involved with the business communities of Del Rio and Cd. Acuña since 1994. We have a unique advantage in recognizing needs from both sides of the border because of the composition of our committee. One of the constant questions and needs that are expressed by business and civic leaders from both Chambers is: "When are we going to have a commercial airline service into Del Rio?" As you know, our border has tremendous economic potential that has not been tapped into mainly because of the lack of air service. When we ask the general managers of the major maquiladoras in Acuña what does our border need to enhance your company's profitability and invest more in our area; there answer is: commercial airline service in Del Rio, natural gas in Acuña, and rail service in Acuña.

The Bilateral Committee of the Chambers of Commerce of Del Rio and Acuña support and is willing to collaborate with you and your staff on this issue of bringing commercial air service to Del Rio. Furthermore, I personally support and encourage that we as a community (Del Rio & Acuña) make every effort to see this dream come true by the end of 2004.

Again, congratulations and stand assure that you have our support.

Sincerely,

J. Jacobo Rodriguez  
Co-Chairman  
Bilateral Committee  
Del Rio Chamber of Commerce

City Of Del Rio, Texas

Exhibit

K-3

May 5, 2004

Mr. Jack Richardson, Airport Manager  
Del Rio International Airport  
1104 West 10<sup>th</sup> St.  
Del Rio, Texas 78840

RE: AIRLINE SERVICE - DEL RIO INTERNATIONAL

Dear Mr. Richardson:

The Del Rio Area Development Foundation is a group of business people that created a non-profit industrial team thirty years ago to help Del Rio grow. We have been instrumental and successful in developing land and bringing industry to Del Rio.

The most important ingredient needed to maintain our past achievements and to allow us to continue to grow is the addition of airline service. There have been many missed opportunities for Del Rio to grow more than it has because we did not have airline service.

The single most important need of our community is the creation of commuter airline service to an international airport to connect us with the rest of the world.

I hope you can look favorably in granting our EDA application for funds to allow us to be competitive in this fast moving world.

Best regards,

Frank H. Larson, President  
Del Rio Area Development Foundation

City Of Del Rio, Texas

Exhibit

K-4



May 5, 2004

Mr. Jack L. Richardson  
Del Rio International Airport  
Fax: 830-703-5331

Dear Jack:

Please let this letter serve as evidence of support for the Small Community Airline Service Development Grant application that you are working on. As President and CEO of The Bank & Trust and as Chairman of the Ports-to-Plains Trade Corridor Coalition I must say that I am very excited about the opportunity for airline service to Del Rio.

We believe that airline service to Del Rio is extraordinarily important to the future economic growth of our community and we're excited about getting the ball rolling!

Thanks for your help Jack. If I, or any member of The Bank & Trust team, can help you accomplish this please let me know. We stand ready to help in this important endeavor.

Sincerely,



Sid Caathorn  
President & CEO

P.O. Drawer 4010 - 1200 Avenue F - Del Rio, Texas 78841-4010  
830-774-2555 - 800-833-5746 - Fax 830-768-4024  
[www.thebankandtrust.com](http://www.thebankandtrust.com)

City Of Del Rio, Texas

Exhibit

K-5





May 5, 2004

Jack I. Richardson  
1104 W 10<sup>th</sup> Street  
Del Rio, Texas 78840

Dear Sir:

This letter is in support of the City of Del Rio's application for a Small Community Airline Service Grant.

An airline is desperately needed to stimulate business growth, reduce unemployment, open up new business opportunities and to allow Del Rio to achieve its economic potential.

Our bank has tremendous need for airline services for our own business and for the needs of our customers.

We urge approval of funding assistance to help an airline start operations. We are prepared to support the city in its efforts to have an airline flying in and out of Del Rio, by doing our part and more, to support and utilize air service.

We at The Bank & Trust are convinced that the time is right for implementation of airline service for Del Rio and we urge your support in this effort.

Sincerely,

Jerry E Simpton  
President, The Bank & Trust  
Del Rio

City Of Del Rio, Texas

Exhibit

K-16



## United States Department of the Interior

NATIONAL PARK SERVICE  
Amistad National Recreation Area  
HCR-3 Box 5-J  
Del Rio, Texas 78840-9350

IN REPLY REFER TO:

May 6, 2004

Mr. Jack Richardson, Airport Manager  
1104 West 10<sup>th</sup> St.  
Del Rio, Texas 78840

Dear Mr. Richardson:

The National Park Service is very excited about the possibilities of commercial air service returning to Del Rio. We view that service as critical for the continued growth of the local economy.

Amistad National Recreation Area receives over one million visitors annually. Visitation would undoubtedly grow significantly if visitors on a tight schedule had the opportunity to fly into Del Rio. Our private concessionaire provides 10 luxury houseboats. The clientele that typically rents the boats are from the major metropolitan areas of Houston and Dallas/ Fort Worth. When commercial air service becomes available, the rental of the boats will increase significantly, thus having a substantial economic impact to the community.

We have approximately 50 employees who travel frequently to attend training sessions, meetings, Homeland Security details, wildland fire assignments and many other travel requirements associated with the operation of the park. Internally, we need and would utilize the service.

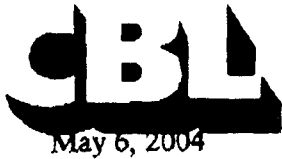
We strongly support this initiative and will assist in any way we can.

Alan W. Cox  
Superintendent

City Of Del Rio, Texas

Exhibit

K-7

**& ASSOCIATES MANAGEMENT, INC.**

City of Del Rio  
Mr. Jack Richardson, Airport Manager  
1104 West 10th St.  
Del Rio, Texas 78840

830.774.8538  
Fax: 830.703.5331  
[airport@wconline.net](mailto:airport@wconline.net)

RE: Airline Service  
Del Rio, Texas

Dear Mr. Richardson:

The following is to offer you our support and alliance in obtaining airline service for the City of Del Rio and the Val Verde County and Ciudad Acuña, Mexico area. Our demographics show that within an hour of Del Rio we have over 500,000 people. The closest metro area is three hours away. When we travel to and from our home office in Chattanooga, Tennessee, it takes us 8 - 12 hours each way.

Plaza del Sol Mall has been a part of this community for the past 25 years. In order for us to be able to bring in new businesses it is imperative that we have an airline service.

CBL & Associates, Properties, Inc., owners and developers of Plaza del Sol Mall have made a commitment to the community by continually trying to bring in new retail establishments to this area. Needless to say, that without an airline, it has been very difficult.

For the continued and future growth of this area, airline service is an integral part of our economic future.

Please feel free to contact me if you need any information from our company.

Sincerely,

CBL MANAGEMENT, INC.,

Plaza del Sol Mall

Blanca G. Larson, General Manager

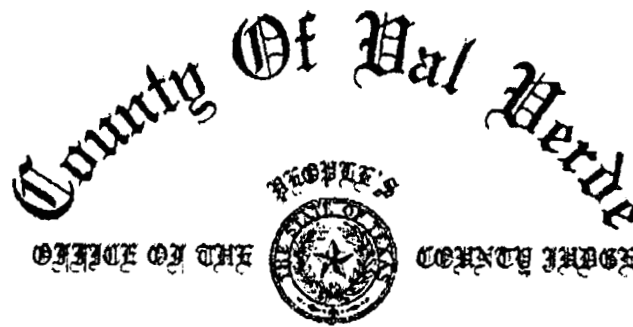
cc: DR Chamber of Commerce, Linda Henderson  
CBL Management, Inc., Brian Hammonds, Don Sewell

**PLAZA DEL SOL MALL \* 2205 AVE. F \* DEL RIO, TX 78840**  
**830-774-3634; FAX # 830-775-6617**

NYSE:CBL

City Of Del Rio, Texas

Exhibit K-8



**Mike L. Hernandez**

County Judge

Phone (830) 774-7501

Del Rio, Texas 78840

May 7, 2004

Mr. Jack Richardson  
Airport Manager  
1104 West 10<sup>th</sup> Street  
Del Rio, Texas 78840

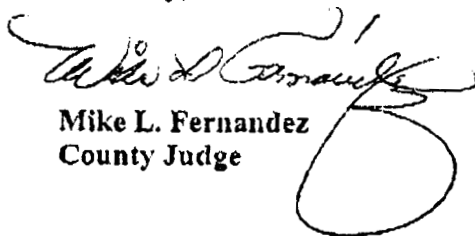
RE: Need for Airline Service

Dear Mr. Richardson:

Val Verde County, like the City of Del Rio, can profit tremendously economically from scheduled airline service. Our current economic growth is greatly hampered by the lack of the air service connection that can connect our remote area to the major metropolitan areas of this country. If this community and port-of-entry are to develop to their fullest potential, air service is absolutely essential.

Val Verde County enthusiastically supports the City's efforts to overcome this infrastructure deficiency and successfully procures this much-needed service for the good of the entire county.

Sincerely,



Mike L. Hernandez  
County Judge

City Of Del Rio, Texas

Exhibit

K-9

May 7, 2004

Jack Richardson  
Airport Manager  
1104 W. 10th Street  
Del Rio, Texas 78840  
fax 830 703 5331

Mr. Richardson:

**SUBJECT: AIRPORT GROWTH**

I am writing this letter after having a chance to return to Del Rio for the first time in several years to enjoy the rodeo and visit with old friends and business associate. I had the opportunity to talk with some local banking officials and members of the local chamber of commerce, and they mentioned to me the possibility of adding some commercial flights into Del Rio. As a person with an office North Texas, Central Michigan, and Northern Mexico ( Muzquiz, Coah. ), I can tell you that commercial flights, both national and international, would give Del Rio a much more attractive position in both the commercial/manufacturing and tourism areas. The recent flights from Houston to Monclova are a great example of what impact an international flight can have on an airport. Two months ago I could not have told you if Monclova had an airport. Since international service opened last month, our company has scheduled over 30 round trip flights to Monclova.

As I mentioned, one of our Mexican offices is in Muzquiz, Coahuila. I believe that it is 15 minutes difference in travel between Muzquiz to Monclova and Muzquiz to Del Rio. I would be very interested in hearing about any future developments concerning commercial activity in Del Rio's airport. Thanks for taking the time to read this letter, and please don't hesitate to contact me if I can be of any assistance.

Sincerely,

Garrett Wacaser  
Texas Location Manager  
Meridian Automotive Systems

gwacaser@meridianautosystems.com

**City Of Del Rio, Texas**

**Exhibit**

K-10

May 7, 2004

Mr. Jack Richardson, Airport Manager  
1104 West 10th St.  
Del Rio, Texas 78840  
Fax: 830 703-5331  
[airport@wcsonline.net](mailto:airport@wcsonline.net)

Re: Del Rio's Need for Commercial Airline Service

Dear Mr. Richardson:

As a business operator of the Ramada Inn in Del Rio, Texas for the past 25 years I wish to express my utmost support for regularly scheduled commercial air service to our city. In the past we have had commercial air service to Del Rio and when such service was available, albeit its sporadic availability, it allowed for a natural flow of both commercial/business and casual/tourist visitors to Del Rio from larger hub airports which resulted in economic growth for Del Rio.

As a hotelier I have received an inordinate number of inquires and comments regarding scheduled commercial air service. Our corporate travelers desire consistent commercial service that would allow them greater flexibility and more productive time to grow their business and the recreational traveler desires this service for more "free" time to enjoy our community. I also firmly believe that with consistent commercial air service Del Rio could aggressively pursue the market of association meetings and conventions resulting in added economic impact and employment for Del Rio.

As a community we need to continue to support and grow our relations with the numerous governmental agencies that operate in and around Del Rio. Some of these entities include Homeland Security, DEA, Laughlin Air Force Base and the various Task Forces that are based here in Del Rio.

In closing I reiterate my utmost support for the acquisition of regularly scheduled commercial air line service to Del Rio.

Sincerely,

Polo del Rio, CHA  
Vice President/Executive General Manager

Ramada Inn - Del Rio  
2101 Veterans Blvd, Del Rio, Texas  
830-775-1511

City Of Del Rio, Texas

Exhibit

K-11

May 6, 2004



GLOBAL EXPERIENCE IN LOCAL SOLUTIONS

Mr. Jack Richardson, Airport Manager  
1104 West 10<sup>th</sup> Street  
Del Rio, Texas 78840

The GEO Group, Inc.  
Val Verde Correctional Facility  
253 FM 2523 Hamilton Lane  
Del Rio, Texas 78840

MAIN TEL: 830 778 0096

FAX: 830 778 0036

[www.thegeogroupinc.com](http://www.thegeogroupinc.com)

Re: Letter of Support – Air Service Del Rio International

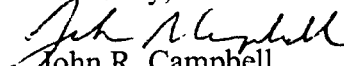
Dear Mr. Richardson:

The GEO Group, Inc. Val Verde Correctional Facility supports and recognizes the need for an airline service to our community.

Achieving airline services will be crucial for the future development and economic growth of our community.

We believe this is a major necessity for Del Rio. Thank you for coordinating this effort and allow us to continue to grow.

Sincerely,

  
John R. Campbell  
Warden

JRC:mer

City Of Del Rio, Texas

Exhibit

K-12



# Val Verde Regional Medical Center

Quality health care here at home.

P.O. Box 1527 • Del Rio, Texas 78840-1527 • (830) 775-8566

May 6, 2004

Mr. Jack Richardson, Airport Manager  
1104 West 10th St.  
Del Rio, TX 78840

Dear Mr. Richardson:

This letter is in support of Del Rio's great need for airline service if our community is to continue to grow and prosper.

As the sole provider of hospital services, and the largest hospital for 150 miles in any direction, airline service is positively essential and necessary for us to be able to recruit top quality healthcare professionals. During the recruiting process, one of their first questions is always "can we fly into Del Rio?" It would be a great benefit to be able to respond with a resounding "YES".

The community appreciates your untiring effort in this quest and should you need additional information from the hospital, please don't hesitate to call me.

Respectfully,

DAVA CLOUDT  
Marketing/Public Relations Director

cc: Del Rio Chamber of Commerce

City Of Del Rio, Texas

Exhibit

K-13





# Val Verde Regional Medical Center

Quality health care here at home.

P.O. Box 1527 • Del Rio, Texas 78840-1527 • (830) 775-8566

May 5, 2004

Mr. Jack Richardson  
Del Rio International Airport

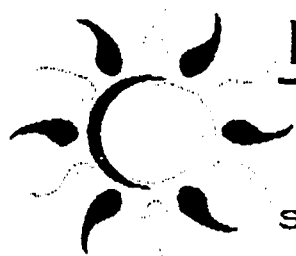
Dear Mr. Richardson:

Val Verde Regional Medical Center is very supportive of your efforts to obtain an airline service to this community. We not only send employees to various conferences and schools but we also entertain a number of corporate visits here to Del Rio.

Whatever any of us can do to facilitate your efforts would be our pleasure. Please do not hesitate to contact me personally.

Sincerely,

Patrick J. Jacobus  
CEO/Administrator



# **RIO BRAVO CANCER & BLOOD**

## **SUSAN JANE TAYLOR, M.D.**

DIPLOMATE AMERICAN BOARD OF INTERNAL MEDICINE  
SUBSPECIALTY OF HEMATOLOGY • SUBSPECIALTY OF MEDICAL ONCOLOGY

MAY 04 2004


Jack Richardson, Airport Manager  
Del Rio International Airport  
FAX 830 703-5331

Dear Mr. Richardson:

This is a letter written in support of obtaining airline service for the city of Del Rio. As a health-care practitioner here, I personally would benefit greatly from airline service locally. We are now more than three hours away from air service. In my view, this is the most important issue for local citizens attempting to do business or function in the larger world of professional relationships. It is a distinct disadvantage to have so much time lost in simply getting to an airport. I know that the majority of our population shares this view.

We have made great progress with our local facilities and their development at the airport. This has been the occasion for increasing civic interest in obtaining airline services. As a member of the airport advisory board I am frequently asked how much longer until we have an airline? I answer that we are definitely working on it. If there is anything further that I can do to expedite this process please ask me

Very truly yours,

  
Susan Taylor MD

1301 AVENUE G  
DEL RIO, TX 78840  
TEL: (830) 775-5800  
FAX: (830) 775-8811

1975 LOOP 431, SUITE 8  
EAGLE PASS, TX 78852  
TEL: (830) 773-1316  
FAX: (830) 773-2435

City Of Del Rio, Texas

Exhibit

K-15



**Brenda Hunter & Assoc. LLC**

1918 Avenue F

Del Rio, Texas 78840

Business (830) 775-8518

Fax (830) 774-1780

MAY 4, 2004

Mr. Jack Richardson  
Del Rio International Airport  
Fax: 830-703-5331

Our town is in such need of scheduled airline service. Being in the real estate business, I see first hand the negative reaction when people discover we do not have one. It hurts our medical facilities as well as commerce here because people cannot enter and leave our city as quickly as needed.

Sincerely,

A handwritten signature in cursive script that reads "Brenda Hunter".

Brenda Hunter  
Broker & Managing Member

# DANIELA'S

HIGH-END NAME-BRANDS LADIES CLOTHES

Phone & Fax : (830) 778-2846

E-mail : danielascloseouts@msn.com

## \*\*\* MEMORANDUM \*\*\*

TO : Jack L. Richardson

DATE : 5/4/2004

FAX No. 830-703-5331

Pages: 1

Mr. Richardson,

First of all we want to thank you for all your efforts in pro of Del Rio, and  
second, to commit ourselves to support an airline service in all our traveling needs,  
because it will save us time, money and will definitely help on the take-off of the  
economic development of this community.

Sincerely,

  
Esperanza Castaneda

ADDRESS: 753 South Main St. \*\*\* Del Rio, Texas \*\*\* 78840 \*\*\* U.S.A.

City Of Del Rio, Texas

Exhibit

K-17

**Jeffrey S. Mahl**  
ATTORNEY AT LAW  
108 W. LOSOYA / P.O. BOX 1191  
DEL RIO, TEXAS 78841  
(830) 775-4723  
(830) 775-3507 FAX

**VIA FAX**

FAX 774-8611

May 4, 2004

Mr. Jack Richardson  
Airport Administrator  
City of Del Rio, Texas

Dear Mr. Richardson:

Please accept this letter in support of scheduled air service for the City of Del Rio. The lack of reliable scheduled air service to the Del Rio Texas area has been one of the key factors retarding growth and development of the Del Rio Area economic base. Therefore, I respectfully request your assistance in obtaining said service.

Yours truly,

  
Jeffrey S. Mahl, Esq.

*"There can be no equal justice where the kind of trial a man gets depends upon the amount of money he has."*

*Griffin v. Illinois 351 U.S. 12, 19 (1956) (Black, J.)*

City Of Del Rio, Texas

Exhibit

K-18

GO DEL RIO  
LAVILLITA MALL  
2400 VETERAN'S BLVD.  
DEL RIO , TEXAS 78840

May 4th, 2004

Mr Jack L Richardson,  
Airport Manager,  
Del Rio International Airport,  
Del Rio , Texas 78840

REF: AIRLINE SERVICE

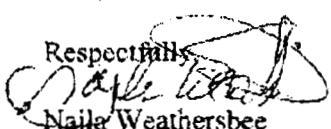
Dear Mr. Richardson,

On behalf of GO DEL RIO , a committee of business men and women, with main focus on economic Development, I urge you to continue you search for obtaining an airline to serve Del Rio and the surrounding communities.

We realize your continued efforts to obtain some Grants Dollars, and support your efforts. If the committee can help you in anyway let us know.  
To gain any type of Economic Growth, we need to have AIRLINE SERVICE, to invite any industries to relocate, to advance LAFB mission, and most important to keep the INDUSTRIES that we have, we must have the air service out of Del Rio.

Many thanks.,

Respectfully,

  
Najla Weathersbee  
Chairwoman

City Of Del Rio, Texas

Exhibit K-19

AMERICAN PASSENGER TRAVEL  
2400 VETERANS' BLVD. STE#5  
DEL RIO, TEXAS 78840  
TEL 830-774-3655 /FAX 774-0498

April 28, 2004

Mr Jack L Richardson,  
Airport Manager,  
Del Rio International Airport,  
Del Rio, Texas 78840

REF: AIRLINE SERVICE

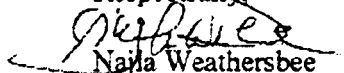
Dear Mr. Richardson,

I am in the travel business, and it is very difficult to make travelers understand how we can have an international airport with no airline service. Also from selling point of view, people believe that they have to go to San Antonio to purchase their air travel and tour packages, which translates into loss of dollars and jobs in this community.

I opened this agency in Oct 1979 and owned it since April of 1983 and I know you have been working hard on this Major Issue for this community and continue to do so by searching for carriers who want to come to Del Rio, and for available Govt Grants. If we can do anything to help please let us know, you have our support.

We thank you and wish you success.

Respectfully,

  
Najla Weathersbee

City Of Del Rio, Texas

Exhibit

K-20

**Jack L Richardson**

---

**From:** firestone@delrio.com  
**Sent:** Friday, May 07, 2004 4:24 PM  
**To:** airport@wcsonline.net  
**Subject:** [BULK] airline service to del rio

Dear Sir;

Your efforts at providing an airline service to Del Rio are truly appreciated.

An airline service would help our economy. Del Rio Home and Auto used the services of the previous airline and we would be strong supporters of a new airline.

An airline service would enhance Del Rio's attractiveness for tourism and investment.

If we can be of any help please feel free to call us. We would be more than happy to assist in this endeavor.

Sincerely,

Raymond Patuel

**City Of Del Rio, Texas**

**Exhibit** K-21



State of Texas  
House of Representatives



Pete P. Gallego

District 74

P.O. Box 2910  
Austin, Texas 78768-2910  
(512) 463-0566

P.O. Box 777  
Alpine, TX 79831-0777  
(432) 837-7383

P.O. Box 420663  
Del Rio, TX 78842-0663  
(830) 774-0800

May 10, 2004

The Honorable Karan Bhatia  
Assistant Secretary for Aviation and International Affairs  
United States Department of Transportation  
400 7th Street SW, Room 10228  
Washington, DC 20590

Dear Mr. Bhatia:

I write in support of a proposal submitted by the City of Del Rio, Texas, for a grant under the Small Community Air Service Development Program. The goal is to secure a scheduled air passenger service to meet the current and future economic needs of this region.

Del Rio is located along the Rio Grande—the International boundary between Texas and the Republic of Mexico—and is over three hours west of the nearest major city, San Antonio, Texas. The city is home to Laughlin Air Force Base, the Del Rio Sector of the U.S. Border Patrol, a junior and senior college, and the Amistad Reservoir. Del Rio has experienced unprecedented economic growth in part to the passage of NAFTA and the maquiladoras and has a promising future.

Del Rio's need to secure a scheduled air passenger service is real. The extreme travel distance to the nearest major airport makes travel difficult and exhausting. More importantly, it hampers the economic growth of this region. The business community requires air passenger service for their trading partners, suppliers, administrators, and other personnel. Without doubt, an air passenger service will allow the Del Rio International Airport to better serve resident and business needs.

To ensure that the economic vitality in this part of our state is maintained, I ask for your favorable decision when evaluating the City of Del Rio's proposal. If I can be of any further insight in this matter, please do not hesitate to contact me.

Sincerely,

Pete P. Gallego

PPG/blp

cc: The Honorable Henry Bonilla

City Of Del Rio, Texas

Printed on Recycled Paper

Exhibit

K-22

0937746

8069692219

15:51 05/10/2004



**Irvin Automotive**  
Irvin Distribution Operation – Del Rio  
2A Fawcett Drive  
Del Rio, Texas 78840  
Tel: (830) 768-5813  
Fax: (830) 768-5837  
E-mail: Rick.Alf@takata.com

Mr. Jack Richardson  
Airport Manager  
1104 West 10<sup>th</sup> Street  
Del Rio, TX 78840

We thank you for your work in trying to bring air travel to Del Rio. I recently returned to Del Rio from Harlingen, TX and having three airports locally was a big plus for both our customers and corporate executives. Del Rio needs a reliable airline to continue to compete with these other border cities.

Irvin Automotive currently has 4 plants and a distribution center in the Del Rio / Acuna area and employs over 8,000 people. We are also looking at expansion and the Del Rio / Acuna area is being considered. One of the biggest negatives for this area is its lack of local commercial air travel.

We currently have corporate people from Detroit in almost every week along with frequent customer visits. If Del Rio / Acuna is chosen for expansion this traffic could increase substantially. A local air carrier could go a long way in helping us make that happen.

Thanks again,

*Rick D. Alf*

Rick D. Alf  
Plant Manager  
Irvin – Falcomex



Takata Seatbelt Inc.

715 Frontera RD.

Del Rio, TX 78840 USA

TEL 830-774-0401

FAX 830-703-7149

Monday, May 10, 2004

Mr. Jack Richardson, Airport Manager

1104 West 10th Street

Del Rio, Texas 78840

Dear Mr. Richardson,

We at Takata Seatbelts, Inc. would like to extend our full support for a permanent airline service initiative for the Del Rio International Airport. As a supplier to the Automotive Industry, ease of travel for our Customers, Suppliers, and employees is a key to continued success and growth in this industry. Recent events between Takata and our customer base have highlighted the need for permanent air service into the Del Rio market and would definitely solidify future business opportunities.

Thank you for allowing us the opportunity to participate in this worthwhile project and continued success in this endeavor.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Simpton".

Scott Simpton  
General Manager  
Takata Seatbelts, Inc.

City Of Del Rio, Texas

Exhibit

K-24

# VAL VERDE COMMUNITY FOUNDATION

109 GRINER ST. - PH. 775-3950

DEL RIO, TEXAS 78840

May 10, 2004

Jack L. Richardson  
1104 W. 10<sup>th</sup> Street  
Del Rio, Texas 78840

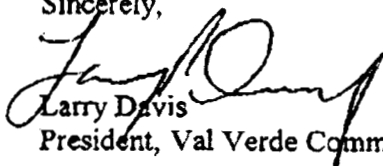
Dear Mr. Richardson,

This letter is in support of the Small Community Airline Service Development Grant that the City of Del Rio is applying for.

Airline service to Del Rio is vitally important to the future growth and economic well being of our community.

We at the Val Verde Community Foundation would urge the City to continue in its efforts to accomplish the goal of airline service to Del Rio.

Sincerely,



Larry Davis  
President, Val Verde Community Foundation

City Of Del Rio, Texas

Exhibit

K-25

**SAN FELIPE DEL RIO**  
*Consolidated Independent School District*



P.O. DRAWER 428002

DEL RIO, TEXAS 78842-8002

May 10, 2004

Jack Richardson  
Airport Manager  
1104 West 10<sup>th</sup> Street  
Del Rio, Texas 78840

Dear Mr. Richardson:

The San Felipe Del Rio C.I.S.D. strongly supports the submission of an FAA grant application for funds to provide our community with air service. The City of Del Rio has made improvements to the Del Rio International Airport runways and facilities, but the City must continue the necessary improvements to the infrastructure in order to provide air service to our community. Since our funding for public education is so dependent upon local effort, it is imperative that we join this effort to promote economic development for our community to continue to grow and prosper.

Sincerely,

Roberto Fernandez  
Superintendent of Schools

**City Of Del Rio, Texas**

**Exhibit**

*K-26*

EQUAL OPPORTUNITY EMPLOYER  
Telephone: (830) 778-4000



May 10, 2004

Mr. Jack Richardson, Airport Manager  
1104 West 10<sup>th</sup> St.  
Del Rio, Texas 78840

Dear Mr. Richardson:

I am writing this letter in support of obtaining an airline for our city. We have had an airline in the past and to my knowledge the airline was profitable. Our city has grown and I know we can sustain a reliable airline in our community.

With approximately 48 maquiladoras, Laughlin Air Force Base, the business community, the United States Border Patrol and other federal agencies an airline will self sustain itself.

For the future of our community, Del Rio must obtain and sustain an airline. Many businesses will continue to look elsewhere because of the inconvenience of flying into San Antonio and then having to drive an additional 2½ hours to arrive in Del Rio. Upon leaving our community the process must be repeated in reverse. As our community grows, the airline will also grow.

Del Rio has been planning for an airline to come to our community. The runway has been improved and extended, a new terminal has been completed, plans are in place to purchase security equipment for the new terminal and a new fire station will be built arms length to the terminal and runway. Our community knows that our growth is very dependent on obtaining an airline and the airline be profitable.

Del Rio National Bank is owned by Laredo National Bancshares. Laredo National Bancshares owns two Banks, South Texas National Bank and Laredo National Bank. South Texas National Bank has Branches in Del Rio, Eagle Pass, and Laredo. Laredo National Bank has branches in Laredo, San Antonio, Houston, Dallas, Corpus Christi and in the Valley. The convenience for travel within our organization will be greatly improve with an airline in Del Rio. Thank you for your time and effort in this much needed service.

Sincerely,

A handwritten signature in black ink, appearing to read "Jesse Fernandez, Jr.", is written over a faint, circular embossed or stamped mark.

Jesse Fernandez, Jr.  
Senior Vice President

City Of Del Rio, Texas

Exhibit

K-27

P.O. Box 4120 • Del Rio, Texas 78841-4120 • (830) 774-6800  
MEMBER FDIC



1301 Veterans Blvd.  
Del Rio, Texas 78840

P.O. Box 420516  
Del Rio, Texas 78842

830-775-0295  
830-775-8312 Fax

May 7, 2004

Mr. Jack Richardson, Airport Manager  
Del Rio International Airport  
1104 West 10<sup>th</sup> St.  
Del Rio, Texas 78840

RE: Schedule Airline Service to/from Del Rio

Dear Mr. Richardson:

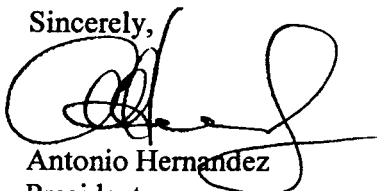
I write to you to stress the absolute importance of establishing International Scheduled Airline Service to and from Del Rio, Texas. In order to continue the positive growth of our community a Scheduled Airline Service has become an essential that we must be focused on.

Due to our proximity on the border with Mexico an international commuter airline is essential in promoting more Industrial and Commercial growth to this area. An airline service here in Del Rio is the single most important need for the current and future economic development of Del Rio.

Support of this effort is evident throughout the private and business community of Del Rio. I write to you to show my support for your continued effort on this most important issue. I sincerely hope that this letter will help the EDA grant application process.

If I could be of any further assistance, please do not hesitate to contact me at 775-0295.

Sincerely,



Antonio Hernandez  
President

Cc: e-mail ([airport@wcsonline.net](mailto:airport@wcsonline.net))  
([Linda@drchamber.com](mailto:Linda@drchamber.com))

City Of Del Rio, Texas

Exhibit

K-28



# MAVERICK COUNTY DEVELOPMENT CORPORATION

Established in 1955

**BUSINESS WITHOUT BORDERS**

Marga A. Lopez  
Executive Director

Saul Rodriguez  
Flex Construction  
President

Francisco Martinez  
Eagle Pass Waterworks  
1<sup>st</sup> Vice President

Ricardo Gonzalez  
Bravo Customs  
2<sup>nd</sup> Vice President

F. Raul Trevino  
F. Raul Trevino, MBA, CPA  
Secretary/Treasurer

Judge Jose "Pepe" Aranda  
Maverick County

Mayor Joaquin L. Rodriguez  
City of Eagle Pass

Hector J. Cerna  
IBC Bank

Alfred Ontiveros  
Fort Duncan Medical Center

Dennis Charlton  
Necse Industries S.A.

Chad Foster  
Foster & Associates Real Estate

Roberto Mireles  
South Texas National Bank

Claudia Wright  
Sul Ross University

Sonia Shannon  
Central 57 Imports/Exports, Inc.

Jim Mylius  
Trade Services of Texas

Mr. Jack Richardson  
Airport Manager  
City of Del Rio  
1104 W. 10<sup>th</sup> St.  
Del Rio, TX 78840

Dear Mr. Richardson:

As the economic development agency for the City of Eagle Pass and Maverick County, Maverick County Development Corporation (MCDC) would like to take this opportunity to show our full support to the City of Del Rio in their quest to establish passenger service to the Middle Rio Grande Region. Passenger service would be very well received, it would be much easier for our constituents to travel 55 minutes versus a 2 hour drive to San Antonio International Airport. Eagle Pass/Maverick County along with our sister city Piedras Negras, Coahuila are in an aggressive growth mode. As indicated by the 2000 Census, Maverick County grew over 30% in 10 years and Piedras Negras has also grown to become an industrialized community with population of approximately 200,000.

When hosting prospect visits, one question is always "Where is the closest airport?" One hundred forty miles is our response, but stating 55 miles would definitely be more attractive to the busy corporate traveler. Creating a Del Rio/Houston flight would prove beneficial to the Region because of the ease to connect from the hub of Houston to numerous destinations.

We wish you much success in obtaining this very necessary means of transportation to our Region. Please free to contact us if you have any questions via toll free at (800)970-6232 or email [info@eaglepassmcde.com](mailto:info@eaglepassmcde.com).

Sincerely,

*Marga A. Lopez*  
Marga A. Lopez  
Executive Director

MCDC • 1200 Ferry Street • P.O. Box 3693 • Eagle Pass, TX 78853 • [www.eaglepassmcde.com](http://www.eaglepassmcde.com)  
(800) 970-MCDC • (830) 773-6166 • FAX: (830) 773-6287 • [info@eaglepassmcde.com](mailto:info@eaglepassmcde.com)

City Of Del Rio, Texas

Exhibit

*K-29*



## Jack L Richardson

---

**From:** Salvador Solano [Salvador.Solano@noblecei.com]  
**Sent:** Tuesday, May 11, 2004 12:09 PM  
**To:** airport@wcsonline.net  
**Subject:** airport initiative

Mr. Richardson,

As we hear more on your efforts to bring about commercial airline service to Del Rio, we would like to express our support for this endeavor. Our city and its sister city of Acuña houses over 62 US based manufacturers and employs over 40,000 people, manufacturing products for a variety of industries that get shipped all over the world. Needless to say, in this times of rapid business decisions, our ability to sustain our industry and grow is directly tied to our ability to move in and out of our city in an expeditious manner. Our technical staff, corporate visitors and customers will appreciate the opportunity to fly directly into Del Rio, rather than waste valuable time driving in and out of our city. Moneys spend in lounging, eating, etc are not coming to Del Rio as our staff and potential air travelers choose to spend a night in the hub city to then drive on to Del Rio. I end this short letter mentioning that in my previous positions, when we have considered relocation options, we have always chosen a city that offers easy travel options. Border industrial complexes such as Laredo, McAllen and Brownsville have an upper hand on this issue and are growing as we speak, while our city has staggered for the recent past. Thank you,

Salvador Solano  
President  
Maquila Association Del Rio/Acuña.

-----  
Salvador Solano

Noble Construction Equipment, Inc.  
Email: Salvador.Solano@noblecei.com

This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager. Please note that any views or opinions presented in this email are solely those of the author and do not necessarily represent those of the company. Finally, the recipient should check this email and any attachments for the presence of viruses. The company accepts no liability for any damage caused by any virus transmitted by this email.



# Parque Industrial Internacional de Acuña, S.A. de C.V.

---

May 11, 2004

Jack Richardson, Airport Manager  
1104 W. 10<sup>th</sup>. St.  
Del Rio, TX 78840

Dear Jack,

Over the last 30 years, we have helped bring several industries to the Del Rio-Acuna area. One of the chief deterrents to convincing companies to relocate to our area is the transportation factor.

In order to compete with other border towns, we need airline service here.

Our company pledges support to help your efforts to bring air service to Del Rio.

Sincerely,

Don P. Newton  
President

---

Bravo 2250 sur

City Of Del Rio, Texas

Exhibit

K-31

10 Finegan Dr. P.O. Box 1407  
Ph. (830) 775-1225 Ext. 12 Fax (830) 774-3337  
Del Rio, Texas 78841-1047

P.O. Box 1407



(830) 775-1225

Del Rio, Texas 78841-1407

(830) 774-3337

May 11, 2004

Jack Richardson, Airport Manager  
1104 W. 10<sup>th</sup>. St.  
Del Rio, TX 78840

Dear Jack,

Over the last 30 years, we have helped bring several industries to the Del Rio-Acuna area. One of the chief deterrents to convincing companies to relocate to our area is the transportation factor.

In order to compete with other border towns, we need airline service here.

Our company pledges support to help your efforts to bring air service to Del Rio.

Sincerely,

A handwritten signature in black ink, appearing to read "Don P. Newton", with a stylized flourish at the end.

Don P. Newton  
Chairman



## Del Rio National Bank

May 10, 2004

Mr. Jack Richardson  
Airport Manager  
1104 West 10<sup>th</sup> St.  
Del Rio, Texas 78840

Dear Jack:

As Del Rio continues to experience it's current growth patterns, it is imperative that we obtain an airline to support our city. As President of Del Rio National Bank and as a citizen of the City of Del Rio, I am in full support of your endeavor to obtain funding to create the infrastructure to provide airline service for Del Rio.

Because Del Rio is so diversified, we have so many opportunities to grow and enhance our economic conditions. Having an airline would just expedite this process. Please let me know if I can be of any assistance in this matter.

Sincerely,

Sylvia B. Owens  
DRNB President



Mr. Jack Richardson  
Director, Del Rio International Airport  
City of Del Rio  
109 W. Broadway  
Del Rio TX 78840

April 19, 2004

Dear Jack:

Thank you for your interest in Cox Media as your cable TV advertising provider.

We are pleased to provide the attached worksheet as a preliminary draft of a media plan for the city's airline service for the next 3 years. The worksheet should be self-explanatory, but if you have any questions, or wish to pursue other scenarios we are more than happy to assist you.

The overall percentage splits between print, radio and TV are based on historical patterns for Continental Airlines. We tailored the percentages within each of these categories on our understanding of your target markets for airline passengers. We have heavily emphasized the use of cable TV advertising for several reasons. Primarily, cable TV advertising gets you the maximum "bang for your buck". We can reach your Mexican and American markets for a low dollar cost per exposure. In the Del Rio region, we can place your ads on 24 networks round the clock, including CNN, Fox News, Headline News, MSNBC, ESPN, ESPN2, Fox Sports, TNT, CMT, VH1, MTV, the Food Network, A&E, TNN, HGTV, Discovery, the Travel Channel and Telemundo, among others.

You are free to use this worksheet, and modify it as you see fit. Be advised, however, that we cannot vouch for any unit rates other than those shown for cable TV. The figures shown are for estimate purposes only. All providers will require a contractual agreement for their services. This preliminary plan should not be construed as a proposal or an offer to provide services from Cox Media Inc.

We look forward to working with the City as it moves toward a new era of growth. Please contact me at 774-5538 if I can be of further assistance.

Sincerely,

Lee Schwertfeger  
Local Sales Manager

401 Cantu Rd.

Suite D

Del Rio, TX 78840

phone (830) 774-5538

fax (830) 774-5438

toll free (877) 655-7444

**DEL RIO INTERNATIONAL AIRPORT  
2004-2006 MEDIA PLAN**

	UNIT	Jul - Dec/2004			Jan - Dec/2005			Jan - Dec/2006		
		UNIT RATE	# UNITS	TOTAL	UNIT RATE 3% inc	# UNITS	TOTAL	UNIT RATE 3% inc	# UNITS	TOTAL
<b>PRINT (10%)</b>										
<b>NEWSPAPER</b>										
Del Rio Times Herald (50% of total print - dm)	Column Inch	\$ 7.58	321	\$ 2,430	\$ 7.81	576	\$ 4,500	\$ 8.04	606	\$ 4,875
Uvalde (15% of total print - dm)	Column Inch			\$ 729			\$ 1,350			\$ 1,463
Eagle Pass (15% of total print - dm)	Column Inch			\$ 729			\$ 1,350			\$ 1,463
Zocalo/Del Rio & Eagle Pass (20% of total print - dm)	Column Inch			\$ 972			\$ 1,800			\$ 1,950
<b>DIRECT MAIL</b>	1000 pieces	\$ 880.00	3	\$ 2,640	\$ 906.40	0	\$ -	\$ 933.59	0	\$ -
<b>TOTAL PRINT COSTS (40% of advertising budget)</b>				\$ 7,800			\$ 9,000			\$ 9,750
<b>BROADCAST</b>										
<b>TELEVISION</b>										
United States										
Del Rio (50% of US TV budget)	:30 Spot	\$ 3.50	4,500	\$ 15,750	\$ 3.61		\$ 15,750	\$ 3.71		\$ 15,750
Eagle Pass (20% of US TV budget)	:30 Spot	\$ 2.25	2,800	\$ 6,300	\$ 2.32		\$ 6,300	\$ 2.39		\$ 6,300
Uvalde (20% of US TV budget)	:30 Spot	\$ 2.00	3,150	\$ 6,300	\$ 2.06		\$ 6,300	\$ 2.12		\$ 6,300
Carrizo Springs (10% of US TV budget)	:30 Spot	\$ 1.50	2,100	\$ 3,150	\$ 1.55		\$ 3,150	\$ 1.59		\$ 3,150
Total United States Costs (60% of TV budget)				\$ 31,500			\$ 31,500			\$ 31,500
Mexico										
Ciudad Acuna (25% of MX TV budget)	:30 Spot	\$ 30.00	175	\$ 5,250	\$ 30.90	170	\$ 5,250	\$ 31.83	165	\$ 5,250
Piedras Negras (Including Zaragoza) (25% of MX TV budget)	:30 Spot	\$ 35.00	150	\$ 5,250	\$ 36.05	146	\$ 5,250	\$ 37.13	141	\$ 5,250
Monterrey (10% of MX TV budget)	:30 Spot	\$ 150.00	14	\$ 2,100	\$ 154.50	14	\$ 2,100	\$ 159.14	13	\$ 2,100
Torreon (10% of MX TV budget)	:30 Spot	\$ 45.00	47	\$ 2,100	\$ 46.35	45	\$ 2,100	\$ 47.74	44	\$ 2,100
Montclova (10% of MX TV budget)	:30 Spot	\$ 30.00	70	\$ 2,100	\$ 30.90	68	\$ 2,100	\$ 31.83	66	\$ 2,100
Chihuahua City (10% of MX TV budget)	:30 Spot	\$ 80.00	26	\$ 2,100	\$ 82.40	25	\$ 2,100	\$ 84.87	25	\$ 2,100
Saltillo (10% of MX TV budget)	:30 Spot	\$ 45.00	47	\$ 2,100	\$ 46.35	45	\$ 2,100	\$ 47.74	44	\$ 2,100
Total Mexico Costs (40% of TV budget)				\$ 21,000			\$ 21,000			\$ 21,000
<b>TOTAL TELEVISION COSTS (70% of advertising budget)</b>				\$ 52,500			\$ 52,500			\$ 52,500
<b>RADIO</b>										
Del Rio										
KTDR FM	:30 Spot	\$ 7.50	240	\$ 1,800	\$ 7.73	272	\$ 2,100	\$ 7.96	283	\$ 2,250
KDLK FM/KTJK AM	:30 Spot	\$ 40.00	45	\$ 1,800	\$ 41.20	51	\$ 2,100	\$ 42.44	53	\$ 2,250
KWMC AM	:30 Spot			\$ 1,800			\$ 2,100			\$ 2,250
Eagle Pass										
XEMU	:30 Spot	\$ 4.50	400	\$ 1,800	\$ 4.64	453	\$ 2,100	\$ 4.77	471	\$ 2,250
Ciudad Acuna										
XERF	:30 Spot			\$ 1,800			\$ 2,100			\$ 2,250
<b>TOTAL RADIO COSTS (12% of advertising budget)</b>				\$ 9,000			\$ 10,500			\$ 11,250

DEL RIO INTERNATIONAL AIRPORT  
2004-2006 MEDIA PLAN

	Jul - Dec/2004				Jan - Dec/2005			Jan - Dec/2006		
	UNIT	UNIT RATE	# UNITS	TOTAL	UNIT RATE 3% inc	# UNITS	TOTAL	UNIT RATE 3% inc	# UNITS	TOTAL
TOTAL BROADCAST COSTS				\$ 61,500			\$ 63,000			\$ 63,750
MISCELLANEOUS EXPENSES										
PRODUCTION COSTS										
Print				\$ 600			\$ 300			\$ 150
Radio				\$ 600			\$ 300			\$ 150
Television				\$ 4,800			\$ 2,400			\$ 1,200
TOTAL PRODUCTION COSTS (8% of advertising budget)				\$ 6,000			\$ 3,000			\$ 1,500
TOTAL ADVERTISING BUDGET				\$ 75,000			\$ 75,000			\$ 75,000

**CITY OF DEL RIO**  
**General Fund Reserves**  
**Report for FY 2002-2003**  
**For Period Ending September 30, 2003**

FINAL

1/14/2004

ORDINANCE No. 98-25, 99-11 & 01-02	GENERAL FUND	GENERAL FUND RESERVE	STREETS DRAINAGE RESERVE	PUBLIC SAFETY RESERVE	BRIDGE RESERVE	TOTAL
<b>BEGINNING BALANCE</b>	\$ 93,016.86	\$ 1,291,676.90	\$ 2,589,505.40	\$ 364,535.67	\$ 780,353.80	\$ 5,119,088.62
<b>I. ESTIMATED REVENUES</b>	<b>30%</b>	<b>0%</b>	<b>50%</b>	<b>10%</b>	<b>10%</b>	<b>100%</b>
October 2002 Actual	61,102.78	0.00	101,837.97	20,367.59	20,367.59	203,675.94
November 2002 Actual	60,687.59	0.00	101,145.98	20,229.20	20,229.20	202,291.95
December 2002 Actual	62,339.03	0.00	103,898.38	20,779.68	20,779.68	207,796.75
January 2003 Actual	54,984.36	0.00	91,640.61	18,328.12	18,328.12	183,281.21
February 2003 Actual	50,185.73		83,642.89	16,728.58	16,728.58	167,285.78
March 2003 Actual	57,870.18		96,450.30	19,290.06	19,290.06	192,900.60
April 2003 Actual	55,393.28		92,322.14	18,464.43	18,464.43	184,644.28
May 2003 Actual	58,960.33		98,267.22	19,653.44	19,653.44	196,534.43
June 2003 Actual	56,139.86		93,566.43	18,713.29	18,713.29	187,132.85
July 2003 Actual	55,977.74		93,296.23	18,659.25	18,659.25	186,592.45
August 2003 Actual	57,494.03		95,823.38	19,164.68	19,164.68	191,646.75
September 2003 Actual	53,004.71		88,341.18	17,668.24	17,668.24	176,682.35
Interest	20,550.34	0.00	34,250.57	6,850.11	6,850.11	68,501.13
<b>TOTAL REVENUE</b>	<b>\$ 704,689.94</b>	<b>\$ -</b>	<b>\$ 1,174,483.24</b>	<b>\$ 234,896.65</b>	<b>\$ 234,896.65</b>	<b>\$ 2,348,966.47</b>
<b>II. EXPENSES</b>						
<b>Public Safety:</b>						
Salaries	(630,000.00)					(630,000.00)
4% Inc. 2001-02	(106,000.00)					(106,000.00)
4% Inc. 2002-03	(101,376.00)					(101,376.00)
Police Car Lease - Ford Motor Co.				(64,889.25)		(64,889.25)
Communication Equip. - Motorola				(37,523.15)		(37,523.15)
SBA Equipment - Baystone Lease 2000-01				(52,156.30)		(52,156.30)
Fire Vehicle - Gov't Cap. lease 2000-01				(7,781.14)		(7,781.14)
Fire Pumper Truck - Cons. Fin. 2001-02				(89,612.33)		(89,612.33)
Two Patrol Cars Cons. Fin 2001-02				(14,565.29)		(14,565.29)
<b>Streets &amp; Drainage</b>						
Bonds Series 2001 Prin. & Interest			(64,591.02)			(64,591.02)
Bonds Series 2002B			(569,784.09)			(569,784.09)
Future Bonds Series 2003			(19,118.68)			(19,118.68)
<b>Streets Impr.</b>						
Acct 5631			(156,024.84)			(156,024.84)
Asphalt, Concrete						
Pipe, & Culvert Mat.			(22,320.49)			(22,320.49)
Overtime-Blum addition			(36,729.48)			(36,729.48)
Temporary Workers-Blum			(29,470.31)			(29,470.31)
Heavy Equip						
Gov't Capt 99-00			(41,895.37)			(41,895.37)
Utility Pickup Truck						
Con Fin Res 00-01			(8,436.18)			(8,436.18)
Heavy Equip						
Con Fin Res 01-02			(122,085.75)			(122,085.75)
<b>TOTAL EXPENSES</b>	<b>\$ (837,376.00)</b>	<b>\$ -</b>	<b>\$ (1,070,456.21)</b>	<b>\$ (266,527.46)</b>	<b>0.00</b>	<b>\$ (2,174,359.67)</b>
<b>SUBTOTAL</b>	<b>\$ (132,686.06)</b>	<b>\$ -</b>	<b>\$ 104,027.03</b>	<b>\$ (31,630.81)</b>	<b>\$ 234,896.65</b>	<b>\$ 174,606.80</b>
<b>ENDING BALANCE</b>	<b>\$ (39,669.20)</b>	<b>\$ 1,291,676.90</b>	<b>\$ 2,693,532.42</b>	<b>\$ 332,904.86</b>	<b>\$ 1,015,250.45</b>	<b>\$ 5,293,695.42</b>



	A	B	C	D	E	F	G
1	<b>CITY OF DEL RIO, TEXAS</b>						
2	<b>Fund Balance as a Percent of Expenditures</b>						
3							
4							
5	Year	Ending Fund Balance	Expenditures			Ending Fund Balance	
6	1992	\$ 807,673	\$ 7,807,536			as a (%) of Expenditures	10.34%
7	1993	1,632,943	8,392,138				19.46%
8	1994	1,499,648	9,157,958				16.38%
9	1995	1,459,140	9,004,335				16.20%
10	1996	1,286,448	9,346,839				13.76%
11	1997	1,511,303	10,203,475				14.81%
12	1998	168,318	10,176,768				1.65%
13	1999	2,373,297	9,790,417				24.24%
14	2000	5,352,869	11,999,232				44.61%
15	2001	6,054,593	12,479,099				48.52%
16	2002	7,361,970	13,914,331				52.91%
17	2003	7,169,245	13,102,726				54.72%
18							
19							
20							
21	<b>FISCAL YEAR ENDING 9/30/2003</b>						
23		General Fund Balance:	\$ 1,451,807				
24		Unreserved Fund Balance:	5,293,696				
25		Reserve Fund Balance:	423,742				
26			\$ 7,169,245				
28							

**CITY OF DEL RIO  
GENERAL FUND  
FUND BALANCE ANALYSIS  
FISCAL YEAR 2002-2003**

	Reserve for Park Improvement	Reserve for Encumbrances	Reserve for Future Repairs (Proceeds from Ins.- Hail damage)	Reserve for Purchase of Property	Reserve for Self-Ins Claims	Total Reserves	Unreserved Fund Balance	Fund Balance From Bridge Toll Increase	Grand Total
Beg. Balance From CAFR for FYE 9/30/02 Pg 43	22,500	119,203	287,965	38,775	357,132	825,575	6,539,395	-	7,364,970
General Fund Bridge Reserve							(5,119,089)	5,119,089	-
Balance	22,500	119,203	287,965	38,775	357,132	825,575	1,420,306	5,119,089	7,364,970
2002-2003 Adjustment(-)	(14,637)	(119,203)	(287,965)	(38,775)	-	(460,580)	-	-	(460,580)
2002-2003 Adjustment(+)	24,000	34,747	-	-	-	58,747	31,501	174,607	264,855
New Balance	31,863	34,747	-	-	357,132	423,742	1,451,807	5,293,696	7,169,245

	I	J	K	L	M	N	O	P
1	<b>CITY OF DEL RIO, TEXAS</b>							
2	<b>Revenue vs. Expenditures</b>							
3								
4							Revenues less	
5	Year		Revenue		Expenditures		Expenditures	
6	1995		\$ 9,142,822		\$ 9,294,271		\$ (151,449)	
7	1996		9,447,122		9,764,267		(317,145)	
8	1997		10,999,708		10,715,293		284,415	
9	1998		11,592,704		10,885,982 <sup>(1)</sup>		706,722	
10	1999		12,529,022		10,413,074		2,115,948	
11	2000		15,369,062 <sup>(2)</sup>		12,699,600		2,669,462	
12	2001		14,738,917		13,721,298		1,017,619	
13	2002		16,048,300		14,910,275		1,138,025	
14	2003		16,591,558		16,895,327 <sup>(3)</sup>		(303,769)	
15								
16	<sup>(1)</sup> Write-Offs of \$1,842,327							
17	<sup>(2)</sup> Closing of Self-Insurance Fund							
18	<sup>(3)</sup> Capital Outlay Expenditures of \$1,837,038							
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								

CITY OF DEL RIO  
Del Rio, Texas

Combining Statement of Net Assets  
Nonmajor Enterprise Funds

For The Year Ended September 30, 2003

	International Airport Fund	Municipal Facilities Fund	Total Nonmajor Enterprise Funds
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 146,288	\$ 285,530	\$ 431,818
Receivables - Net of Allowance	9,090	29,566	38,656
Due from Other Funds	-	35,278	35,278
Total Current Assets	155,378	350,374	505,752
Noncurrent Assets			
Restricted Cash & Cash Equivalents	1,001,269	8,282	1,009,551
Capital Assets - Net of Accumulated Depreciation	7,267,468	544,969	7,812,437
Total Noncurrent Assets	8,268,737	553,251	8,821,988
Total Assets	\$ 8,424,115	\$ 903,625	\$ 9,327,740
<b>LIABILITIES AND FUND BALANCE</b>			
Current Liabilities			
Accounts Payable	\$ 25,695	\$ 85,862	\$ 111,557
Accrued Liabilities	1,918	11,144	13,062
Due to Other Funds	555	15,256	15,811
Accrued Bond Interest Payable	-	1,618	1,618
Bonds Payable	-	5,000	5,000
Total Current Liabilities	28,168	118,880	147,048
Noncurrent Liabilities			
Compensated Absences	-	1,216	1,216
Bonds Payable	-	120,000	120,000
Total Noncurrent Liabilities	-	121,216	121,216
Total Liabilities	28,168	240,096	268,264
<b>NET ASSETS</b>			
Investment in Capital Assets Net of Related Debt	7,267,468	419,969	7,687,437
Restricted For:			
Debt Service	-	2,868	2,868
Public Grants	-	116,700	116,700
Unrestricted	1,128,479	123,992	1,252,471
Total Net Assets	\$ 8,395,947	\$ 663,529	\$ 9,059,476

CITY OF DEL RIO  
Del Rio, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Net Assets  
Nonmajor Enterprise Funds

For the Year Ended September 30, 2003

	International Airport Fund	Municipal Facilities Fund	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>			
Charges for Service	\$ 63,759	\$ -	\$ 63,759
Miscellaneous Revenues	25	3,511	3,536
Rental Revenues	136,829	252,682	389,511
<b>Total Operating Revenues</b>	<b>200,613</b>	<b>256,193</b>	<b>456,806</b>
<b>OPERATING EXPENDITURES</b>			
Personnel	46,280	208,957	255,237
Supplies	41,325	36,743	78,068
Contractual Service & Other Costs	104,232	401,389	505,621
Purchases for Resale	-	437	437
Bad Debt Expense	10,829	4,394	15,223
Depreciation	524,442	53,740	578,182
<b>Total Operating Expenses</b>	<b>727,108</b>	<b>705,660</b>	<b>1,432,768</b>
<b>Operating Income (Loss)</b>	<b>(526,495)</b>	<b>(449,467)</b>	<b>(975,962)</b>
<b>Nonoperating Revenues (Expenses)</b>			
Intergovernmental	829,626	-	829,626
Investment Earnings	18,262	4,505	22,767
Operating Transfers In	256,850	440,411	697,261
Bond Interest	(32,199)	(6,735)	(38,934)
<b>Total Nonoperating Revenue (Expenses)</b>	<b>1,072,539</b>	<b>438,181</b>	<b>1,510,720</b>
<b>Change in Net Assets</b>	<b>546,044</b>	<b>(11,286)</b>	<b>534,758</b>
<b>Total Net Assets - Beginning</b>	<b>7,849,903</b>	<b>674,815</b>	<b>8,524,718</b>
<b>Total Net Assets - Ending</b>	<b>\$ 8,395,947</b>	<b>\$ 663,529</b>	<b>\$ 9,059,476</b>

CITY OF DEL RIO  
Del Rio, Texas

Combining Statement of Cash Flows  
Nonmajor Enterprise Funds

For The Year Ended September 30, 2003

With Comparative Totals For The Year Ended September 30, 2002

	International Airport	Municipal Facilities	Totals	
			2003	2002
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 189,385	\$ 226,217	\$ 415,602	505,024
Cash Payments to Suppliers for Goods and Services	(126,581)	(367,089)	(493,670)	(543,542)
Cash Payments to Employees for Services	(45,658)	(207,611)	(253,269)	(197,096)
Net Cash Provided/(Used) by Operating Activities	17,146	(348,483)	(331,337)	(235,614)
Cash Flows from Non-Capital Financing Activities:				
Interfund Borrowings	172,028	(35,278)	136,750	221,334
Interfund Repayments	-	-	-	(13,723)
Operating Transfers In	256,850	496,133	752,983	360,232
Capital Contributed by Other City Funds	-	-	-	60,000
Net Cash Provided/(Used) by Non-Capital Financing Activities	428,878	460,855	889,733	627,843
Cash Flows from Capital and Related Financing Activities:				
Proceeds from Capital Grants	829,626	-	829,626	-
Refund of Prior Year Bond Closing Costs	18,632	-	18,632	-
Principal Paid on Revenue Bond Maturities	(500,000)	(5,000)	(505,000)	(5,000)
Interest Paid on Revenue Bonds	(36,457)	(6,822)	(43,279)	(60,923)
Fiscal Agent Charges	(223)	-	(223)	(1,248)
Purchase of Depreciable Fixed Assets	(369)	(13,597)	(13,966)	(14,198)
Construction of Capital Assets	(1,245,685)	-	(1,245,685)	(7,564)
Disposition of Fixed Assets	-	-	-	2,430
Net Cash Provided/(Used) by Capital and Related Financing Activities	(934,476)	(25,419)	(959,895)	(86,503)
Cash Flows from Investing Activities:				
Interest Received	18,262	4,505	22,767	35,190
Net Cash Provided/(Used) by Investing Activities	18,262	4,505	22,767	35,190
Net Increase/(Decrease) in Cash and Cash Equivalents	(470,190)	91,458	(378,732)	340,916
Cash and Cash Equivalents at Beginning of Year	1,617,747	202,354	1,820,101	1,479,186
Cash and Cash Equivalents at End of Year	\$ 1,147,557	\$ 293,812	\$ 1,441,369	\$ 1,820,102

(Continued on next page)

CITY OF DEL RIO  
Del Rio, Texas

Combining Statement of Cash Flows (Continued)  
Nonmajor Enterprise Funds

For The Year Ended September 30, 2003

With Comparative Totals For The Year Ended September 30, 2002

	International Airport	Municipal Facilities	Totals (Memorandum Only)	
			2003	2002
Reconciliation of Operating Income to Net Cash Provided/(Used) By Operating Activities:				
Operating Income/(Loss)	\$ (526,494)	\$ (449,468)	\$ (975,962)	\$ (322,572)
Adjustments to Reconcile Operating Income to Net Cash Provided/(Used) by Operating Activities:				
Depreciation	524,442	53,740	578,182	109,292
Provision for Uncollectible Accounts	10,829	4,394	15,223	-
Changes in Assets and Liabilities:				
Decrease/(Increase) in Receivables:				
Customer Charges	-	(29,977)	(29,977)	3,047
Miscellaneous	(11,228)	-	(11,228)	(1,039)
Decrease/(Increase) in Due from Other Funds	-	261	261	(261)
Increase/(Decrease) in Vouchers and Accounts Payable	18,481	69,270	87,751	(11,516)
Increase/(Decrease) in Accrued Liabilities	622	1,346	1,968	(14,854)
Increase/(Decrease) in Due to Other Funds	494	1,951	2,445	2,290
Total Adjustments	543,640	100,985	644,625	86,959
Net Cash Provided/(Used) by Operations	<u>\$ 17,146</u>	<u>\$ (348,483)</u>	<u>\$ (331,337)</u>	<u>\$ (235,613)</u>

Cash and Cash Equivalents are comprised of the following:

Cash and Cash Equivalents at End of Year				
Current Assets	\$ 146,288	\$ 285,530	\$ 431,818	\$ 382,404
Restricted Assets	1,001,269	8,282	1,009,551	1,437,698
Total Cash and Cash Equivalents	<u>\$ 1,147,557</u>	<u>\$ 293,812</u>	<u>\$ 1,441,369</u>	<u>\$ 1,820,102</u>

CITY OF DEL RIO  
Del Rio, Texas

Enterprise Funds

COMBINING BALANCE SHEET

September 30, 2002

	Gas System	Water System	Wastewater Fund	International Bridge
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 2,125,164	\$ 1,781,230	\$ 244,001	\$ 611,601
Receivables:				
Customer Charges	171,225	618,673	261,897	-
Unbilled Charges	81,609	421,479	152,144	-
Other	36,989	289,998	15,663	-
Estimated Uncollectible Accounts	(65,942)	(73,966)	(65,198)	-
Miscellaneous	1,103	230,666	510	300
Due from Other Governments	-	125	20,584	-
Due from Other Funds	10,839	300,473	20,661	-
Inventory	82,333	239,240	-	-
<b>Total Current Assets</b>	<b>2,443,320</b>	<b>3,807,918</b>	<b>650,262</b>	<b>611,901</b>
<b>Restricted Assets</b>				
Cash and Cash Equivalents				
Revenue Bond Debt Service	-	2,610,571	440,685	1,040,847
Land Acquisition Reserve	-	-	-	-
Revenue Bond Retirement	-	-	-	-
Revenue Bond Proceeds	-	3,925,095	1,023,833	1,685
Bridge Contingent Reserve	-	-	-	586,292
Grant Projects Construction Account	-	54,753	1,545	-
Customer Deposits	208,059	481,954	-	-
Trust Agreement - TNRCC	-	-	-	-
Cash in Escrow - TxDOT	-	-	-	-
<b>Total Restricted Assets</b>	<b>208,059</b>	<b>7,072,373</b>	<b>1,466,063</b>	<b>1,628,824</b>
<b>Property, Plant and Equipment</b>				
Land	17,686	138,508	45,226	352,399
Buildings and Improvements	92,917	129,080	-	160,003
Improvements Other Than Buildings	1,968,713	14,619,646	14,610,241	6,172,797
Equipment	831,275	1,836,846	430,451	806,712
Easements	-	40,157	59,469	-
Construction-In-Progress	-	45,460,814	5,952,609	-
Less: Accumulated Depreciation	(2,318,758)	(8,559,937)	(8,338,001)	(2,860,940)
<b>Total Property, Plant and Equipment</b>	<b>591,833</b>	<b>53,665,114</b>	<b>12,759,995</b>	<b>4,630,971</b>
<b>Non-Current Assets</b>				
Deferred Charges	-	566,101	167,255	24,446
<b>Total Non-Current Assets</b>	<b>-</b>	<b>566,101</b>	<b>167,255</b>	<b>24,446</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,243,212</b>	<b>\$ 65,111,506</b>	<b>\$ 15,043,575</b>	<b>\$ 6,896,142</b>



International Airport	Refuse/ Landfill	Municipal Facilities	Totals	
			2002	2001
\$ 188,247	\$ 400,165	\$ 194,157	\$ 5,544,565	\$ 5,026,625
-	164,963	-	1,216,758	979,224
-	93,580	-	748,812	579,613
-	8,329	-	350,979	239,652
-	(45,856)	-	(250,962)	(105,347)
39,894	-	59,705	332,178	-
-	-	-	20,709	1,640,594
140,825	22,012	261	495,071	2,337,141
-	-	-	321,573	314,709
368,966	643,193	254,123	8,779,683	11,012,211
303,422	97,630	8,197	4,501,352	4,300,932
-	178,297	-	178,297	174,932
-	-	-	-	-
1,113,641	114,538	-	6,178,792	6,214,385
-	-	-	586,292	476,302
-	391,454	-	447,752	356,216
-	-	-	690,013	676,991
-	-	-	-	817,290
12,438	-	-	12,438	-
1,429,501	781,919	8,197	12,594,936	13,017,048
1,080,827	153,249	22,000	1,809,895	1,377,335
683,982	-	433,279	1,499,261	1,499,261
6,741,023	2,377,215	-	46,489,635	41,300,807
63,454	193,076	228,315	4,390,129	3,826,911
6,231	-	-	105,857	105,857
56,478	369,252	-	51,839,153	33,784,409
(1,456,034)	(2,369,413)	(400,809)	(26,303,892)	(24,097,108)
7,175,961	723,379	282,785	79,830,038	57,797,472
-	19,356	-	777,158	670,044
-	19,356	-	777,158	670,044
\$ 8,974,428	\$ 2,167,847	\$ 545,105	\$ 101,981,815	\$ 82,496,775

CITY OF DEL RIO  
Del Rio, Texas

Enterprise Funds

COMBINING BALANCE SHEET

September 30, 2002

	Gas System	Water System	Wastewater Fund	International Bridge
<b>LIABILITIES</b>				
Current Liabilities				
Vouchers and Accounts Payable	\$ 23,925	\$ 2,117,848	\$ 299,629	\$ 27,094
Accrued Liabilities	61,658	110,268	43,669	32,046
Capital Leases - Current	10,785	23,600	6,464	96,449
Due to Other Funds	1,980	20,088	6,600	198,587
Due to Other Governments	-	16,840	-	-
Total Current Liabilities	98,348	2,288,644	356,362	354,176
Payable from Restricted Assets				
Accrued Revenue Bond Interest	-	484,639	181,225	70,801
Revenue Bonds - Current Maturity	-	1,143,136	510,400	280,000
Customer Deposits	170,883	439,874	-	-
Total Payable from Restricted Assets	170,883	2,067,649	691,625	350,801
Long-Term Liabilities				
Estimated Liabilities	-	-	-	-
Leases Payable	23,453	21,583	11,020	8,323
Bonds Payable	-	26,919,021	9,060,249	3,320,000
Total Long-Term Liabilities	23,453	26,940,604	9,071,269	3,328,323
<b>TOTAL LIABILITIES</b>	<b>292,684</b>	<b>31,296,897</b>	<b>10,119,256</b>	<b>4,033,300</b>
<b>FUND EQUITY</b>				
Contributed Capital				
Subdividers	-	148,709	-	-
Municipality	-	-	-	-
Other Governments	-	16,759,335	3,493,979	-
City	-	-	106,012	-
Nonexpendable Corpus	-	-	-	-
Total Contributed Capital	-	16,908,044	3,599,991	-
Retained Earnings				
Reserved				
Bond Debt Service	-	531,806	674,729	299,134
Bond Retirement	-	488,375	488,380	486,350
Bond Construction	-	930,506	-	369,765
Donor Contributions	-	-	-	-
Unreserved	2,950,528	14,955,878	161,219	1,707,593
Total Retained Earnings	2,950,528	16,906,565	1,324,328	2,862,842
<b>TOTAL FUND EQUITY</b>	<b>2,950,528</b>	<b>33,814,609</b>	<b>4,924,319</b>	<b>2,862,842</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 3,243,212</b>	<b>\$ 65,111,506</b>	<b>\$ 15,043,575</b>	<b>\$ 6,896,142</b>

International Airport	Refuse/ Landfill	Municipal Facilities	Totals	
			2002	2001
\$ 7,213	\$ 109,003	\$ 16,593	\$ 2,601,305	\$ 3,483,113
1,297	10,492	11,013	270,443	275,469
-	-	-	137,298	-
62	2,282	1,305	230,904	3,561,888
-	-	-	16,840	269,630
8,572	121,777	28,911	3,256,790	7,590,100
4,479	28,230	1,706	771,080	717,265
200,000	97,711	5,000	2,236,247	1,843,567
-	-	-	610,757	592,408
204,479	125,941	6,706	3,618,084	3,153,240
-	1,473,741	-	1,473,741	1,473,741
-	-	-	64,379	333,310
300,000	2,291,616	125,000	42,015,886	35,851,138
300,000	3,765,357	125,000	43,554,006	37,658,189
513,051	4,013,075	160,617	50,428,880	48,401,529
-	-	50,635	199,344	148,709
8,881,498	-	-	8,881,498	3,273,532
138,314	-	-	20,391,628	20,297,178
-	-	60,000	166,012	156,647
-	-	186,000	186,000	186,000
9,019,812	-	296,635	29,824,482	24,062,066
191,146	48,491	2,956	1,748,262	1,683,320
-	-	-	1,463,105	1,271,980
-	-	-	1,300,271	1,300,271
-	-	116,700	116,700	116,700
(749,581)	(1,893,719)	(31,803)	17,100,115	5,660,909
(558,435)	(1,845,228)	87,853	21,728,453	10,033,180
8,461,377	(1,845,228)	384,488	51,552,935	34,095,246
\$ 8,974,428	\$ 2,167,847	\$ 545,105	\$ 101,981,815	\$ 82,496,775

CITY OF DEL RIO  
Del Rio, Texas

Enterprise Funds

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

For the Year Ended September 30, 2002

	Gas System	Water System	Wastewater Fund	International Bridge
OPERATING REVENUES				
Charges for Services	\$ 2,393,387	\$ 6,060,802	\$ 2,501,101	\$ 4,912,712
Rental Revenues	-	-	-	-
Other Revenues	9,619	2,766	2,738	-
TOTAL OPERATING REVENUES	2,403,006	6,063,568	2,503,839	4,912,712
OPERATING EXPENSES				
Personnel	432,709	603,192	379,965	292,289
Supplies	114,575	231,872	50,266	11,818
Contractual Services and Other Costs	254,693	1,281,151	1,007,730	157,806
Purchases for Resale	839,085	-	-	-
Bad Debts	43,038	29,109	36,925	-
Depreciation	74,170	566,298	711,736	290,079
TOTAL OPERATING EXPENSES	1,758,270	2,711,622	2,186,622	751,992
Operating Income/(Loss)	644,736	3,351,946	317,217	4,160,720
NON-OPERATING REVENUES/(EXPENSES)				
Intergovernmental Revenues	-	-	-	-
Interest Revenues	59,608	130,013	35,505	35,382
Gain on Sale of Assets	383	12,240	-	-
Insurance Proceeds	5,706	35,327	-	-
Municipal Facility Rentals	-	-	-	12,000
Loss on Disposal of Assets	-	-	-	-
Lease Purchase Interest	(2,859)	(1,855)	(929)	(10,020)
Revenue Bond Interest and Fees	-	(1,031,488)	(619,149)	(224,487)
Loss on Refunding Bonds	-	-	-	-
Capital Grants	-	7,327,867	1,906,168	-
TOTAL NON-OPERATING REVENUES/(EXPENSES)	62,838	6,472,104	1,321,595	(187,125)
Income/(Loss) Before Operating Transfers	707,574	9,824,050	1,638,812	3,973,595
OPERATING TRANSFERS				
Operating Transfers In	-	-	-	-
Operating Transfers Out	(897,795)	-	-	(3,696,484)
TOTAL OPERATING TRANSFERS	(897,795)	-	-	(3,696,484)
Net Income/(Loss)	(190,221)	9,824,050	1,638,812	277,111
Restated Retained Earnings at Beginning of Year	3,140,749	7,082,515	(314,484)	2,585,731
Retained Earnings at End of Year	\$ 2,950,528	\$ 16,906,565	\$ 1,324,328	\$ 2,862,842

International Airport	Refuse/ Landfill	Municipal Facilities	Totals	
			2002	2001
\$ 54,605	\$ 1,869,904	\$ -	\$ 17,792,511	\$ 16,141,265
127,405	-	317,415	444,820	283,599
-	2,200	250	17,573	50,985
182,010	1,872,104	317,665	18,254,904	16,475,849
36,600	41,842	147,522	1,934,119	2,030,401
11,741	24,485	42,284	487,041	418,522
44,000	1,052,794	430,807	4,228,981	4,167,888
-	-	-	839,085	911,215
-	36,543	-	145,615	84,308
75,512	455,209	33,780	2,206,784	2,206,785
167,853	1,610,873	654,393	9,841,625	9,819,119
14,157	261,231	(336,728)	8,413,279	6,656,730
-	-	-	-	2,135
31,458	25,067	4,305	321,338	602,982
2,430	-	-	15,053	-
-	-	-	41,033	-
3,341	-	-	15,341	12,000
-	-	-	-	(36,107)
-	-	-	(15,663)	-
(54,498)	(143,387)	(7,585)	(2,080,594)	(2,011,446)
-	-	-	-	(346,962)
-	-	-	9,234,035	-
(17,269)	(118,320)	(3,280)	7,530,543	(1,777,398)
(3,112)	142,911	(340,008)	15,943,822	4,879,332
64,427	-	382,729	447,156	414,310
-	(101,426)	-	(4,695,705)	(4,644,499)
64,427	(101,426)	382,729	(4,248,549)	(4,230,189)
61,315	41,485	42,721	11,695,273	649,143
(619,750)	(1,886,713)	45,132	10,033,180	9,384,037
\$ (558,435)	\$ (1,845,228)	\$ 87,853	\$ 21,728,453	\$ 10,033,180

CITY OF DEL RIO  
Del Rio, Texas

Enterprise Funds

COMBINING STATEMENT OF CASH FLOWS

For The Year Ended September 30, 2002

With Comparative Totals For The Year Ended September 30, 2001

	Gas System	Water System	Wastewater
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 2,390,790	6,720,809	2,484,514
Cash Payments to Suppliers for Goods and Services	(1,269,560)	(1,117,773)	(1,227,900)
Cash Payments to Employees for Services	(434,896)	(575,499)	(389,278)
Net Cash Provided/(Used) by Operating Activities	686,334	5,027,537	867,336
Cash Flows from Non-Capital Financing Activities:			
Interfund Borrowings	71,853	(120,752)	-
Interfund Repayments	(647,640)	(285,819)	71,696
Operating Transfers In	-	200,231	-
Operating Transfers Out	(897,795)	-	(200,231)
Capital Contributed by Other City Funds	-	-	-
Intergovernmental Grants	-	-	-
Net Cash Provided/(Used) by Non-Capital Financing Activities	(1,473,582)	(206,340)	(128,535)
Cash Flows from Capital and Related Financing Activities:			
Interfund Bond Borrowings	-	-	-
Proceeds from Sale of Bonds	-	8,399,995	-
Proceeds from Capital Lease Arrangements	-	-	-
Proceeds from Refunding Bonds	-	-	-
Proceeds from the Sale of Fixed Assets	383	-	-
Insurance Proceeds	5,706	35,327	-
Escrow Disbursements to Retire Refunded Bonds	-	-	-
Principal Paid on Revenue Bond Maturities	-	(992,275)	(481,787)
Principal Paid on Capital Leases	(5,137)	(25,382)	(10,717)
Interest Paid on Revenue Bonds	-	(1,070,064)	(628,002)
Interest Paid on Capital Leases	(2,859)	(1,855)	(929)
Fiscal Agent Charges	-	(1,417)	(2,709)
Land Improvements and Purchases	-	-	-
Purchase of Depreciable Fixed Assets	(213,168)	(259,867)	(181,581)
Construction of Capital Assets	-	(16,494,230)	(2,713,265)
Disposition of Fixed Assets	-	12,240	-
Capital Grants Received	-	7,241,557	2,077,327
Net Cash Provided/(Used) by Capital and Related Financing Activities	(215,075)	(3,155,971)	(1,941,663)
Cash Flows from Investing Activities:			
Interest Received	59,608	129,888	35,506
Net Cash Provided/(Used) by Investing Activities	59,608	129,888	35,506
Net Increase/(Decrease) in Cash and Cash Equivalents	(942,715)	1,795,114	(1,167,356)
Cash and Cash Equivalents at Beginning of Year	3,275,938	7,058,489	2,877,420
Cash and Cash Equivalents at End of Year	\$ 2,333,223	\$ 8,853,603	\$ 1,710,064

International Bridge	International Airport	Refuse/ Landfill	Municipal Facilities	Totals	
				2002	2001
4,912,305	184,312	1,872,785	320,712	\$ 18,886,227	\$ 16,287,794
(182,058)	(51,320)	(1,130,442)	(492,222)	(5,471,275)	(5,498,344)
(292,118)	(41,679)	(44,206)	(155,417)	(1,933,093)	(2,024,641)
4,438,129	91,313	698,137	(326,927)	11,481,859	8,764,809
28,898	196,425	232,410	24,909	433,743	18,523
(2,611)	-	(748,256)	(13,723)	(1,626,353)	454,843
-	33,225	-	327,007	560,463	414,310
(3,668,312)	-	(101,426)	-	(4,867,764)	(4,475,955)
-	-	-	60,000	60,000	-
-	-	-	-	-	2,135
(3,642,025)	229,650	(617,272)	398,193	(5,439,911)	(3,586,144)
-	-	-	-	-	669,325
-	-	-	-	8,399,995	7,702,059
-	-	-	-	-	331,748
-	-	-	-	-	5,315,000
-	-	-	-	383	-
-	-	-	-	41,033	-
-	-	-	-	-	(5,400,000)
(270,000)	-	(93,505)	(5,000)	(1,842,567)	(1,656,000)
(86,930)	-	-	-	(128,166)	(98,250)
(219,625)	(53,750)	(147,662)	(7,173)	(2,126,276)	(1,881,195)
(10,020)	-	-	-	(15,663)	(20,276)
(1,517)	(748)	(727)	(500)	(7,618)	(11,807)
-	-	-	-	-	(7,390)
(13,329)	(10,699)	(17,099)	(3,499)	(699,242)	(818,373)
-	(7,564)	(7,136)	-	(19,222,195)	(12,864,917)
-	2,430	-	-	14,670	-
-	-	-	-	9,318,884	11,363,961
(601,421)	(70,331)	(266,129)	(16,172)	(6,266,762)	2,623,885
35,382	30,884	25,068	4,306	320,642	602,982
35,382	30,884	25,068	4,306	320,642	602,982
230,065	281,516	(160,196)	59,400	95,828	8,405,532
2,010,360	1,336,232	1,342,278	142,954	18,043,671	9,638,141
\$ 2,240,425	\$ 1,617,748	\$ 1,182,082	\$ 202,354	\$ 18,139,499	\$ 18,043,673

(Continued on next page)

CITY OF DEL RIO  
Del Rio, Texas

Enterprise Funds

COMBINING STATEMENT OF CASH FLOWS (Continued)

For The Year Ended September 30, 2002

With Comparative Totals For The Year Ended September 30, 2001

	Gas System	Water System	Wastewater
Reconciliation of Operating Income to Net Cash Provided/(Used) By Operating Activities:			
Operating Income/(Loss)	\$ 644,737	3,351,946	317,216
Adjustments to Reconcile Operating Income to Net Cash Provided/(Used) by Operating Activities:			
Depreciation	74,170	566,298	711,736
Provision for Uncollectible Accounts	43,038	29,109	36,925
Changes in Assets and Liabilities:			
Decrease/(Increase) in Receivables:			
Customer Charges	10,831	(226,882)	(22,961)
Unbilled Charges	(4,587)	(176,793)	4,650
Other	(18,343)	(102,602)	(504)
Miscellaneous	(1,103)	1,146,155	(510)
Decrease/(Increase) in Due from Other Funds	(25,917)	122,727	(20,030)
Decrease/(Increase) in Inventory	9,494	(16,359)	-
Increase/(Decrease) in Vouchers and Accounts Payable	(35,393)	383,288	(14,879)
Increase/(Decrease) in Accrued Liabilities	(2,187)	23,521	(9,313)
Increase/(Decrease) in Due to Other Funds	(9,392)	(90,234)	(134,995)
Increase/(Decrease) in Customer Deposits	986	17,363	1
Total Adjustments	41,597	1,675,591	550,120
Net Cash Provided/(Used) By Operating Working Capital Provided by Operations	\$ <u>686,334</u>	\$ <u>5,027,537</u>	\$ <u>867,336</u>
Cash and Cash Equivalents are comprised of the following:			
Cash and Cash Equivalents at End of Year			
Current Assets	\$ 2,125,164	1,781,230	244,001
Restricted Assets	<u>208,059</u>	<u>7,072,373</u>	<u>1,466,063</u>
Total Cash and Cash Equivalents	\$ <u>2,333,223</u>	\$ <u>8,853,603</u>	\$ <u>1,710,064</u>



International Bridge	International Airport	Refuse/ Landfill	Municipal Facilities	Totals (Memorandum Only)	
				2002	2001
4,160,719	14,157	261,231	(336,729)	\$ 8,413,277	\$ 6,656,730
290,079	75,512	455,209	33,780	2,206,785	2,206,785
-	-	36,543	-	145,615	84,308
-	-	(6,850)	3,047	(242,815)	(192,634)
-	-	7,531	-	(169,199)	(237,459)
-	-	-	-	(121,449)	12,170
-	(1,039)	-	-	1,143,503	3,058
-	-	(30)	(261)	76,489	(175,506)
-	-	-	-	(6,865)	32,298
(2,335)	8,376	(46,514)	(19,892)	272,651	368,539
171	(6,801)	(2,363)	(8,053)	(5,026)	(207,928)
(10,505)	1,109	(6,620)	1,181	(249,456)	278,210
-	-	-	-	18,350	(63,762)
<u>277,410</u>	<u>77,157</u>	<u>436,906</u>	<u>9,802</u>	<u>3,068,583</u>	<u>2,108,079</u>
<u>\$ 4,438,129</u>	<u>\$ 91,314</u>	<u>\$ 698,137</u>	<u>\$ (326,927)</u>	<u>\$ 11,481,860</u>	<u>\$ 8,764,809</u>
611,601	188,247	400,165	194,157	\$ 5,544,565	\$ 5,026,625
<u>1,628,824</u>	<u>1,429,501</u>	<u>781,919</u>	<u>8,197</u>	<u>12,594,936</u>	<u>13,017,048</u>
<u>\$ 2,240,425</u>	<u>\$ 1,617,748</u>	<u>\$ 1,182,084</u>	<u>\$ 202,354</u>	<u>\$ 18,139,501</u>	<u>\$ 18,043,673</u>

CITY OF DEL RIO  
Del Rio, Texas

Gas System

Enterprise Fund

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For The Year Ended September 30, 2002

	Budget	Actual	Variance Favorable/ (Unfavorable)
<b>REVENUES</b>			
Charges for Services			
Utility Charges	\$ 2,200,000	\$ 2,288,824	\$ 88,824
Utility Service Charges	104,287	104,561	274
Miscellaneous Revenues			
Interest Income	62,000	59,608	(2,392)
Other Revenues	12,562	9,619	(2,943)
<b>TOTAL REVENUES</b>	<b>2,378,849</b>	<b>2,462,612</b>	<b>83,763</b>
<b>EXPENSES</b>			
Personnel	435,942	432,709	3,233
Supplies	107,524	114,575	(7,051)
Contractual Services and Other Costs	265,878	254,693	11,185
Purchases for Resale	850,000	839,085	10,915
Debt Charges	7,997	7,994	3
Capital Outlay	214,135	213,168	967
<b>TOTAL EXPENSES</b>	<b>1,881,476</b>	<b>1,862,224</b>	<b>19,252</b>
<b>Excess/(Deficiency) of Revenues Over Expenses</b>	<b>497,373</b>	<b>600,388</b>	<b>103,015</b>
<b>OTHER FINANCING SOURCES/(USES)</b>			
Insurance Proceeds	5,649	5,706	57
Operating Transfers Out	(897,795)	(897,795)	-
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>(892,146)</b>	<b>(892,089)</b>	<b>57</b>
<b>Excess/(Deficiency) of Revenues and Other Sources Over Expenses and Other Uses</b>	<b>\$ (394,773)</b>	<b>(291,701)</b>	<b>\$ (103,072)</b>
<b>RECONCILIATION TO NET INCOME (LOSS)</b>			
Add: Capital Outlay		213,168	
Lease Principal		5,137	
Gain on Disposal of Fixed Assets		383	
Less: Bad Debt		(43,038)	
Depreciation		(74,170)	
<b>Net Income/(Loss)</b>		<b>\$ (190,221)</b>	

A	B	C	D	E	F
1	<b>CITY OF DEL RIO, TEXAS</b>				
2	<b>ESTIMATES FOR SERIES 2004 CIP PROJECTS</b>				
3					
4					
5	<b>DEPARTMENT / PROJECT</b>	<b>TOTAL</b>	<b>LENGTH (YRS)</b>	<b>PAYMENT SOURCE</b>	
6	Airline Lighting/Security/Passenger Screening Equipment/FLID	\$ 200,000	10	Property Tax	Z04_5
7	Police Vehicles & Equipment	75,000	4	Property Tax	Z04_8
8	Fire Dept Building / Additions / Emergency Response Center	400,000	20	Property Tax	Z04_4
9	Fire Vehicles & Equipment	50,000	5	Property Tax	Z04_6
10	Civic Center Air Conditioning System <sup>(1)</sup>	500,000	20	Self-Supported	Z04_1
11	Rolling Stock	30,000	5	Property Tax	Z04_7
12	Rolling Stock -- Claw Truck [Refuse]	95,000	5	Self-Supported	Z04_3
13	Gas Distribution Improvements - Gas System	600,000	20	Self-Supported	Z04_2
14	Relocation of Toll Plaza/Admin. Bldg. - International Bridge System	1,000,000	20	Bridge Revenues	
15	<b>Total</b>	<b>\$ 2,950,000</b>			
16					
17		<b>EXISTING TAX RATES [FYE 9/30/04]</b>			
18			M&O	\$ 0.39659	
19			I&S	\$ 0.07341	
20			<b>TOTAL</b>	<b>\$ 0.47000</b>	
21					
22			NAV	\$ 768,083,255	
23					
24					
25					

58

3/4/2004, 9:45 PM

Prepared by Estrada Hinojosa & Co., Inc.  
Page 1 of 5

ZDelRioTaxRate\_03\_04\_04.xls  
Usay\_03\_04\_04

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	
1	CITY OF DEL RIO, TEXAS										PRE-2004 ISSUES									
2	Tax Rate Impact -- PROPOSED 2004 C/O's						-(E)+[F]				-(H)+[I]	-(D)+[G]+[J]			-(K)+[L]		-(M)+[N]			
3																				
4																				
5		Collections Rate																		
6		95.00%																		
7																				
8																				
9	FYE 9/30	Net Assessed Valuation (NAV)	NAV	Existing Debt	Combination Tax & Revenue Certificates of Obligation, Series 2004			Combination Tax & International Bridge System Subordinate Lien Revenue Certificates of Obligation, Series 2004			Total Debt Service Require- ments	Less: Self- Supporting	Total Net Debt Service Require- ments	Total Required I&S Tax Rate (a)	Tax Rate Increase	FYE 9/30				
10	2003	\$711,124,680		\$ 4,008,587	Principal	Interest	Total	Principal	Interest	Total	\$ 4,008,587	\$ 3,650,777	\$ 357,809	0.0510		2003				
11	2004	768,083,255	8.0%	5,118,958		-					5,118,958	4,554,861	564,097	0.0734		2004				
12	2005	791,125,753	3.0%	5,219,061		-					5,219,061	4,655,719	563,342	0.0750		2005				
13	2006	814,859,525	3.0%	5,559,335		-					5,559,335	4,972,643	586,692	0.0758		2006				
14	2007	839,305,311	3.0%	5,440,515		-					5,440,515	4,982,026	458,490	0.0573		2007				
15	2008	856,091,417	2.0%	5,308,855		-					5,308,855	5,023,004	285,851	0.0351		2008				
16	2009	873,213,246	2.0%	6,012,256		-					6,012,256	5,721,719	290,537	0.0350		2009				
17	2010	890,677,510	2.0%	6,014,750		-					6,014,750	5,725,234	289,516	0.0342		2010				
18	2011	899,584,286	1.0%	5,830,942		-					5,830,942	5,559,264	271,678	0.0318		2011				
19	2012	908,580,128	1.0%	5,847,558		-					5,847,558	5,572,515	275,043	0.0319		2012				
20	2013	917,665,930	1.0%	5,224,458		-					5,224,458	4,961,773	262,685	0.0301		2013				
21	2014	917,665,930	0.0%	5,262,393		-					5,262,393	4,981,305	281,088	0.0322		2014				
22	2015	917,665,930	0.0%	4,640,883		-					4,640,883	4,412,620	228,263	0.0262		2015				
23	2016	917,665,930	0.0%	3,761,066		-					3,761,066	3,545,095	215,971	0.0245		2016				
24	2017	917,665,930	0.0%	3,775,411		-					3,775,411	3,561,671	213,740	0.0245		2017				
25	2018	917,665,930	0.0%	3,131,689		-					3,131,689	2,972,618	159,071	0.0182		2018				
26	2019	917,665,930	0.0%	2,265,508		-					2,265,508	2,127,962	137,546	0.0158		2019				
27	2020	917,665,930	0.0%	2,256,097		-					2,256,097	2,124,489	131,608	0.0151		2020				
28	2021	917,665,930	0.0%	1,943,510		-					1,943,510	1,807,885	135,625	0.0156		2021				
29	2022	917,665,930	0.0%	1,043,133		-					1,043,133	999,131	44,000	0.0050		2022				
30	2023	917,665,930	0.0%	572,004		-					572,004	530,004	42,000	0.0048		2023				
31	2024	917,665,930	0.0%	532,496		-					532,496	532,496	0	0.0000		2024				
32	2025	917,665,930	0.0%	373,391		-					373,391	373,391	0	0.0000		2025				
33	2026	917,665,930	0.0%	375,089		-					375,089	375,089	0	0.0000		2026				
34	2027	917,665,930	0.0%	375,626		-					375,626	375,626	0	0.0000		2027				
35	2028	917,665,930	0.0%	-		-					0	-	0	0.0000		2028				
36	2029	917,665,930	0.0%	-		-					0	-	0	0.0000		2029				
37	Total			\$89,893,566	\$	-	\$	-	\$	-	\$	-	\$89,893,566	\$84,098,914	\$ 5,794,651	Total				
38																				

ZDetRioTaxRate\_03\_04\_04.xls, Tax\_Impact\_03\_04\_04\_POST

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	City of Del Rio, Texas															
2	6-YEAR DEBT PLAN - Tax Rate Impact															
3																
4																
5																
6																
7																
8																
9																
10																
11																
12																
13	FYE	Net Assessed Valuation (NAV)	NAV	Excess Debt	Certificates of Obligation, Series 2004	Bridge Certificates of Obligation, Series 2004	Certificates of Obligation, Series 2005	Certificates of Obligation, Series 2006	Certificates of Obligation, Series 2007	Certificates of Obligation, Series 2008	Certificates of Obligation, Series 2009	Total Debt Service Requirements	Less: Self-Supporting	Total Net Debt Service Requirements	Total Required I&S Tax Rate W	FYE Tax Rate FY20 Interest FY20
14	2003	\$ 711,124,680	8.0%	\$ 4,208,587	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,008,187	\$ 3,650,777	\$ 357,809	0.0510	2003
15	2004	\$ 768,083,253	8.0%	\$ 5,113,958	\$ 22,293	\$ 84,819	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,113,958	\$ 4,534,861	\$ 569,097	0.0734	2004
16	2005	\$ 791,123,753	3.0%	\$ 2,199,061	\$ 22,400	\$ 33,238	\$ 241,338	\$ -	\$ -	\$ -	\$ -	\$ 2,242,701	\$ 4,336,221	\$ 667,952	0.0889	2005
17	2006	\$ 814,359,325	3.0%	\$ 3,559,335	\$ 217,160	\$ 34,548	\$ 242,978	\$ 216,309	\$ -	\$ -	\$ -	\$ 3,813,842	\$ 5,177,768	\$ 928,742	0.1200	2006
18	2007	\$ 839,305,311	3.0%	\$ 5,440,515	\$ 217,160	\$ 34,548	\$ 242,978	\$ 216,309	\$ -	\$ -	\$ -	\$ 5,659,345	\$ 5,177,768	\$ 1,016,608	0.1375	2007
19	2008	\$ 856,091,417	2.0%	\$ 5,308,855	\$ 221,515	\$ 33,328	\$ 240,274	\$ 203,444	\$ 198,030	\$ -	\$ -	\$ 5,506,845	\$ 5,222,944	\$ 1,036,940	0.1275	2008
20	2009	\$ 873,213,246	2.0%	\$ 6,012,256	\$ 201,020	\$ 32,168	\$ 242,153	\$ 203,455	\$ 199,536	\$ 75,806	\$ -	\$ 6,002,483	\$ 5,923,444	\$ 1,079,039	0.1301	2009
21	2010	\$ 890,677,510	2.0%	\$ 6,014,750	\$ 131,600	\$ 35,783	\$ 243,491	\$ 205,210	\$ 175,313	\$ 127,273	\$ 162,170	\$ 7,169,088	\$ 5,903,194	\$ 1,265,894	0.1406	2010
22	2011	\$ 899,384,286	1.0%	\$ 5,830,942	\$ 161,455	\$ 34,185	\$ 244,258	\$ 207,560	\$ 175,805	\$ 124,275	\$ 162,610	\$ 6,990,790	\$ 5,738,981	\$ 1,251,808	0.1465	2011
23	2012	\$ 910,580,128	1.0%	\$ 5,847,558	\$ 162,703	\$ 32,674	\$ 239,578	\$ 208,900	\$ 179,385	\$ 125,840	\$ 163,723	\$ 7,010,630	\$ 5,733,516	\$ 1,277,113	0.1456	2012
24	2013	\$ 917,665,930	1.0%	\$ 5,224,458	\$ 133,503	\$ 35,525	\$ 244,533	\$ 209,745	\$ 178,413	\$ 126,840	\$ 164,220	\$ 6,392,033	\$ 5,143,526	\$ 1,248,507	0.1432	2013
25	2014	\$ 917,665,930	0.0%	\$ 5,262,393	\$ 134,133	\$ 33,388	\$ 243,486	\$ 210,293	\$ 172,340	\$ 127,340	\$ 164,030	\$ 6,239,881	\$ 5,158,527	\$ 1,081,354	0.1240	2014
26	2015	\$ 917,665,930	0.0%	\$ 4,640,883	\$ 124,703	\$ 31,188	\$ 242,125	\$ 209,943	\$ 163,130	\$ 127,340	\$ 163,130	\$ 5,461,961	\$ 4,585,195	\$ 876,766	0.1006	2015
27	2016	\$ 917,665,930	0.0%	\$ 3,761,066	\$ 131,200	\$ 33,824	\$ 240,355	\$ 209,230	\$ 163,130	\$ 127,340	\$ 163,130	\$ 4,475,865	\$ 3,727,803	\$ 698,061	0.0901	2016
28	2017	\$ 917,665,930	0.0%	\$ 3,775,411	\$ 132,295	\$ 36,163	\$ 243,078	\$ 208,326	\$ 163,130	\$ 127,340	\$ 163,130	\$ 4,445,272	\$ 3,743,663	\$ 701,609	0.0905	2017
29	2018	\$ 917,665,930	0.0%	\$ 3,131,689	\$ 128,070	\$ 33,328	\$ 240,274	\$ 208,326	\$ 163,130	\$ 127,340	\$ 163,130	\$ 3,790,227	\$ 3,148,688	\$ 641,539	0.0736	2018
30	2019	\$ 917,665,930	0.0%	\$ 2,265,508	\$ 128,610	\$ 35,310	\$ 241,863	\$ 203,158	\$ 163,130	\$ 127,340	\$ 163,130	\$ 2,926,430	\$ 2,307,829	\$ 618,601	0.0710	2019
31	2020	\$ 917,665,930	0.0%	\$ 2,256,097	\$ 128,508	\$ 32,109	\$ 242,803	\$ 207,841	\$ 163,130	\$ 127,340	\$ 163,130	\$ 2,917,759	\$ 2,302,690	\$ 615,069	0.0706	2020
32	2021	\$ 917,665,930	0.0%	\$ 1,943,510	\$ 128,858	\$ 33,731	\$ 243,045	\$ 209,830	\$ 163,130	\$ 127,340	\$ 163,130	\$ 2,608,955	\$ 1,981,923	\$ 627,032	0.0717	2021
33	2022	\$ 917,665,930	0.0%	\$ 1,043,133	\$ 128,503	\$ 35,053	\$ 242,610	\$ 206,305	\$ 163,130	\$ 127,340	\$ 163,130	\$ 1,705,603	\$ 1,177,665	\$ 527,938	0.0606	2022
34	2023	\$ 917,665,930	0.0%	\$ 572,004	\$ 127,783	\$ 31,190	\$ 241,458	\$ 207,223	\$ 163,130	\$ 127,340	\$ 163,130	\$ 1,229,691	\$ 705,514	\$ 524,178	0.0601	2023
35	2024	\$ 917,665,930	0.0%	\$ 572,004	\$ 127,783	\$ 31,190	\$ 241,458	\$ 207,223	\$ 163,130	\$ 127,340	\$ 163,130	\$ 1,229,691	\$ 705,514	\$ 524,178	0.0601	2024
36	2025	\$ 917,665,930	0.0%	\$ 572,004	\$ 127,783	\$ 31,190	\$ 241,458	\$ 207,223	\$ 163,130	\$ 127,340	\$ 163,130	\$ 1,229,691	\$ 705,514	\$ 524,178	0.0601	2025
37	2026	\$ 917,665,930	0.0%	\$ 572,004	\$ 127,783	\$ 31,190	\$ 241,458	\$ 207,223	\$ 163,130	\$ 127,340	\$ 163,130	\$ 1,229,691	\$ 705,514	\$ 524,178	0.0601	2026
38	2027	\$ 917,665,930	0.0%	\$ 572,004	\$ 127,783	\$ 31,190	\$ 241,458	\$ 207,223	\$ 163,130	\$ 127,340	\$ 163,130	\$ 1,229,691	\$ 705,514	\$ 524,178	0.0601	2027
39	2028	\$ 917,665,930	0.0%	\$ 572,004	\$ 127,783	\$ 31,190	\$ 241,458	\$ 207,223	\$ 163,130	\$ 127,340	\$ 163,130	\$ 1,229,691	\$ 705,514	\$ 524,178	0.0601	2028
40	2029	\$ 917,665,930	0.0%	\$ 572,004	\$ 127,783	\$ 31,190	\$ 241,458	\$ 207,223	\$ 163,130	\$ 127,340	\$ 163,130	\$ 1,229,691	\$ 705,514	\$ 524,178	0.0601	2029
41	2030	\$ 917,665,930	0.0%	\$ 572,004	\$ 127,783	\$ 31,190	\$ 241,458	\$ 207,223	\$ 163,130	\$ 127,340	\$ 163,130	\$ 1,229,691	\$ 705,514	\$ 524,178	0.0601	2030
42	Total			\$ 3,89,892,366	\$ 3,187,435	\$ 51,675,258	\$ 34,845,877	\$ 84,163,830	\$ 1,086,681	\$ 700,463	\$ 979,872	\$ 106,513,001	\$ 87,784,905	\$ 18,728,097		Total
43																
44	Collection Rate - 95.00%. Tax Rates in bold on column [N] are actual rates set by City. All other I&S Tax Rates are calculated.															

3/4/2004, 9:45 PM

Prepared by Estrada Hinojosa & Co., Inc.  
Page 4 of 5

Z:\DelRioTaxRate\_03\_04\_04.xls, 6\_Yr\_Debt\_Plan\_03\_04\_04

88

**City of Del Rio  
Capital Improvement Plan**

	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	Totals
<b>1. LANDFILL:</b>										
Construction of Cell #3	\$ 425,000									\$ 425,000
Regal	\$ 125,000									\$ 125,000
Construction, Closure & Post Closure Costs Cell #4			\$ 1,200,000				\$ 1,500,000			\$ 2,700,000
Landfill Trash Compactor Tractor			\$ 425,000					\$ 450,000		\$ 875,000
<b>2. WATER/WASTEWATER SYSTEM:</b>										
a) Design & Construction Of "Y" Wells	\$ 1,300,000									\$ 1,300,000
b) Preventive Maint. On two existing h20 tanks	\$ 400,000									\$ 400,000
c) Jet Vacuum Truck 2100 series Req by INRCC	\$ 170,000									\$ 170,000
d) San Felipe Waste Water Treatment Plant Rehab	\$ 1,000,000									\$ 1,000,000
e) Val Verde Parks Estates-Incinerables	\$ 1,000,000									\$ 1,000,000
Water Production *		\$ 4,970,000								\$ 4,970,000
Future membranes					\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000		\$ 8,000,000
Water Treatment Plant	\$ 6,173,000									\$ 6,173,000
Water Distribution *		\$ 6,435,000			\$ 5,000,000		\$ 5,000,000		\$ 5,000,000	\$ 21,435,000
Waste Water Treatment *			\$ 2,190,000					\$ 1,500,000		\$ 3,690,000
Waste Water Collection *						\$ 2,600,000				\$ 2,600,000
<b>3. AIRPORT:</b>										
Airport Terminal 50% of Cost funded by (XDOT Aviation	\$ 200,000									\$ 200,000
Airport Runway Expansion	\$ 360,000									\$ 360,000
Instrument Landing Systems					\$ 500,000					\$ 500,000
Apron Lighting, Security/Passenger screening equip, & FLID				\$ 200,000						\$ 200,000
Airline Subsidy										\$ -
<b>4. FINANCIAL:</b>										
Financial Applications Software/Hardware	\$ 500,000					\$ 500,000			\$ 500,000	\$ 1,500,000
GIS Software updates	\$ 70,000					\$ 100,000			\$ 100,000	\$ 270,000
Payroll System/Time Clocks										\$ -
<b>5. PUBLIC SAFETY:</b>										
New Police Dept. Building or Repairs/additions			\$ 200,000		\$ 1,800,000					\$ 2,000,000
Police Vehicles & Equip.			\$ 409,000	\$ 75,000	\$ 250,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 100,000	\$ 1,284,000
New Fire Dept. Building or Repairs/additions			\$ -	\$ 400,000		\$ 300,000		\$ 300,000		\$ 1,000,000
Fire Apparatus & Equipment			\$ 543,000	\$ 50,000		\$ 75,000	\$ 350,000			\$ 1,018,000
<b>6. PUBLIC WORKS:</b>										
Street & Drainage Repair/Replacement @ Approx \$1mil/1 mile	\$ 1,000,000	\$ 5,150,000			\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 18,650,000
<b>7. PARKS/RECREATION &amp; FACILITIES:</b>										
Bike & bike trails (grants)					\$ 200,000		\$ 300,000			\$ 500,000
City Hall Improvements						\$ 1,200,000				\$ 1,200,000
Civic Center air conditioning system				\$ 500,000						\$ 500,000
<b>8. INTERNATIONAL BRIDGE</b>										
Relocation of Toll Plaza & Admin. Bldg.				\$ 1,000,000						\$ 1,000,000
2nd bridge								\$ 15,000,000		\$ 15,000,000
<b>9. Rolling Stock</b>			\$ 423,000	\$ 125,000	\$ 125,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,073,000
<b>GAS DEPARTMENT:</b>										
Safety Equipment										\$ -
Gas Distribution Improvements				\$ 600,000						\$ 600,000
<b>Grand Total</b>	<b>\$ 13,223,000</b>	<b>\$ 16,335,000</b>	<b>\$ 5,390,000</b>	<b>\$ 2,950,000</b>	<b>\$ 10,375,000</b>	<b>\$ 8,925,000</b>	<b>\$ 11,900,000</b>	<b>\$ 7,000,000</b>	<b>\$ 25,300,000</b>	<b>\$ 101,618,000</b>

\* Based on 2000 Eng. CIP Summary Pgs. 10, 11 &amp; 16

\*\* SHADED AREA REPRESENTS SELF-SUPPORTING PROJECTS

Property Tax Debt: \$ 2,875,000 \$ 2,425,000 \$ 990,000 \$ 550,000 \$ 800,000

9B

3/4/2004, 9:45 PM

rcastillo  
Page 5 of 5Z:\DelRio\TunRazo\_03\_04\_04.xls  
CIP\_03\_04\_04

**CITY OF DEL RIO  
INTERNATIONAL AIRPORT  
ADOPTED FY 2003-2004  
OCTOBER 1, 2003 - SEPTEMBER 30, 2004**

**DEPARTMENT:** *INTERNATIONAL AIRPORT*

**DIVISION:** *INTERNATIONAL AIRPORT*

***DIVISION DESCRIPTION***

THE CITY OF DEL RIO OPERATES AND MAINTAINS THE DEL RIO INTERNATIONAL AIRPORT FOR THE PURPOSE OF: A) PROVIDING PASSENGER SERVICE BETWEEN DEL RIO AND OTHER TEXAS CITIES; AND B) PROVIDING STORAGE FOR RELATED EQUIPMENT.

***PERSONNEL:***

POSITION	NO. OF EMPLOYEES	BASE PAY	FRINGE BENEFITS	TOTAL PERSONNEL
*Airport Manager	1	20,800	2,359	23,159
Maint./ Equip. Operator	1	19,871	6,664	26,535
Total	2	40,671	9,023	49,694
Overtime				287
				49,981

\*Part-Time --No Benefits



# City of Del Rio

## FY 2003-2004 Adopted Budget International Airport - Fund Summary

	ACTUAL 2001-2002	ADOPTED BUDGET 2002-2003	REVISED BUDGET 2002-2003	ADOPTED BUDGET 2003-2004
<i>Revenues</i>				
Rental Income	130,746	120,855	133,000	133,000
Fuel Commissions	54,605	20,000	63,378	63,000
Miscellaneous	33,888	15,600	17,000	7,000
<i>Total Revenues</i>	<i>219,239</i>	<i>156,455</i>	<i>213,378</i>	<i>203,000</i>
<i>Expenditures</i>				
Operating Expenditures				
Personnel	36,600	49,118	48,585	49,981
Supplies	11,741	23,575	40,171	23,575
Contractual & Other Costs	44,000	64,979	112,084	79,067
Purchases for Resale	-	-	-	-
<i>Total Expenditures</i>	<i>92,341</i>	<i>137,672</i>	<i>200,840</i>	<i>152,623</i>
<i>Operating Revenues over (Expenditures)</i>	<i>126,898</i>	<i>18,783</i>	<i>12,538</i>	<i>50,377</i>
<i>Other Resources and (Expenditures)</i>				
Intergovernmental	-	-	400,000	-
Transfers In	64,427	44,427	278,232	-
Debt Service	(54,498)	(254,500)	(532,727)	-
Reserves	-	-	-	-
Capital Outlay	(75,512)	(9,328)	(821,795)	(2,600)
Transfers Out	-	-	-	-
<i>Total Other Resources and (Expenditures)</i>	<i>(65,583)</i>	<i>(219,401)</i>	<i>(676,290)</i>	<i>(2,600)</i>
<i>Net Income (Loss)</i>	<i>61,316</i>	<i>(200,618)</i>	<i>(663,752)</i>	<i>47,777</i>

# City of Del Rio

## FY 2003-2004 Adopted Budget

### International Airport - Revenue Data

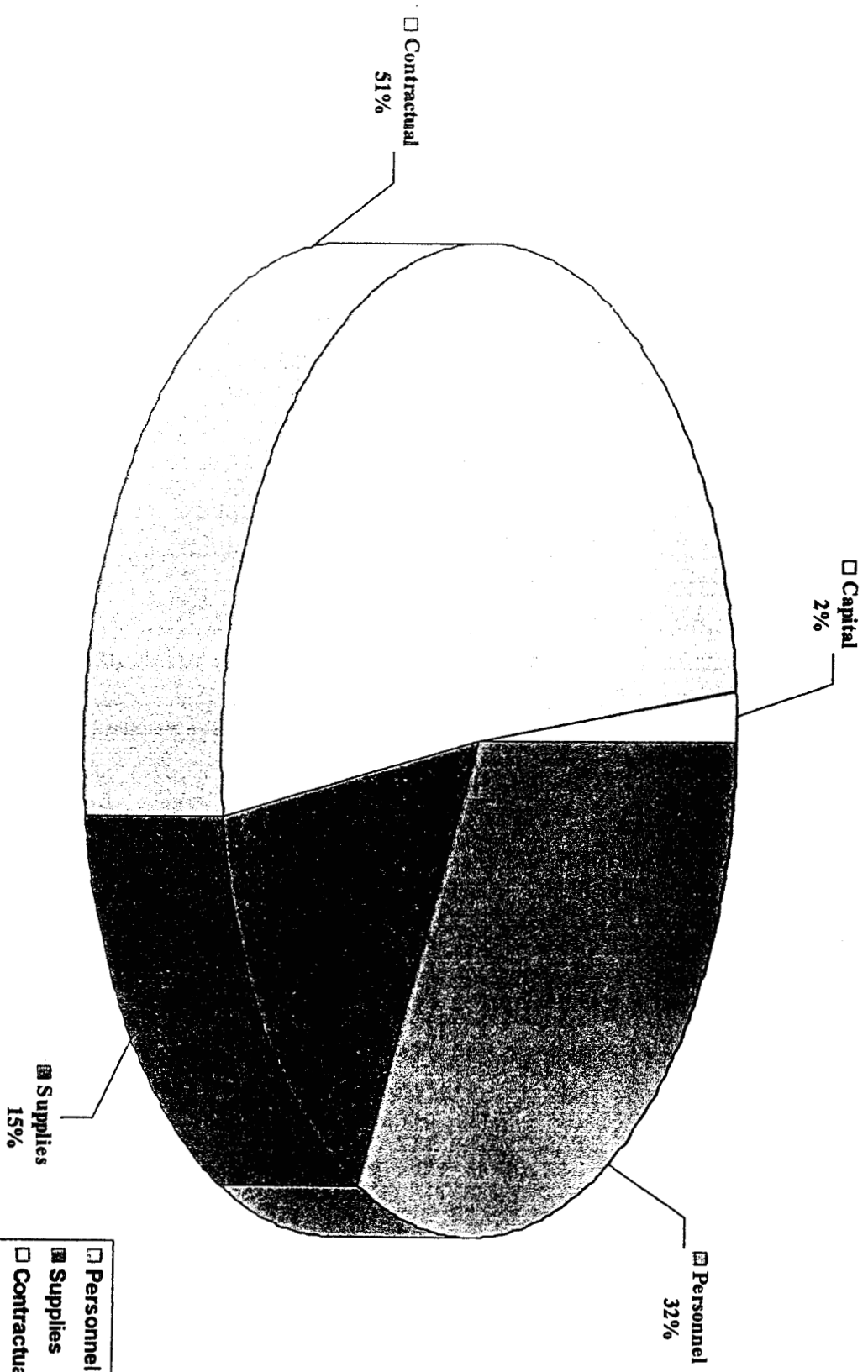
Category	ACTUAL 2001-2002	ADOPTED BUDGET 2002-2003	REVISED BUDGET 2002-2003	ADOPTED BUDGET 2003-2004
Fuel Commissions	54,605	20,000	63,378	63,000
State Grant Revenues	-	-	400,000	-
Interest Income	31,458	15,000	17,000	7,000
Rental Income	130,746	120,855	133,000	133,000
Miscellaneous Income	2,430	600	-	-
Transfer In - General Fund	64,427	44,427	278,232	-
<b>Total Revenues</b>	<b>283,666</b>	<b>200,882</b>	<b>891,610</b>	<b>203,000</b>

# City of Del Rio

## FY 2003-2004 Adopted Budget Summary of Expenditures

<i>Department: International Airport</i>		<i>Division: International Airport</i>		
<i>Item</i>	<i>2001-2002 Actual</i>	<i>2002-2003</i>		<i>2003-2004 Adopted</i>
		<i>Adopted</i>	<i>Revised</i>	
<i>Personnel</i>				
Payroll Wages	29,697	40,789	40,661	41,056
Retirement Costs	811	966	731	994
Insurance	3,154	4,243	4,083	4,790
Payroll Taxes	2,937	3,120	3,110	3,141
Allowances	-	-	-	-
Volunteers Costs	-	-	-	-
<b>Total Personnel</b>	<b>36,600</b>	<b>49,118</b>	<b>48,585</b>	<b>49,981</b>
<i>Supplies</i>				
Office Supplies	729	1,448	16,630	1,448
Operational Supplies	6,657	14,477	16,045	13,677
Maintenance Parts & Supplies	4,355	7,650	7,496	8,450
<b>Total Supplies</b>	<b>11,741</b>	<b>23,575</b>	<b>40,171</b>	<b>23,575</b>
<i>Contractual Services &amp; Other Costs</i>				
Utilities	11,004	17,534	16,812	19,734
Professional Services	458	500	33,500	500
Other Contractual Services	12,504	15,570	7,655	19,664
Internal / Administrative Services	5,131	7,820	7,820	8,559
Taxes & Other Fees	100	-	-	-
Insurance	11,021	18,055	25,797	25,110
Training & Travel	2,917	4,500	4,500	4,500
Other Costs	866	1,000	16,000	1,000
<b>Total Services &amp; Costs</b>	<b>44,000</b>	<b>64,979</b>	<b>112,084</b>	<b>79,067</b>
<b>Total Purchases for Resale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Debt Service</i>				
Debt Principal	-	200,000	500,000	-
Debt Interest	53,750	53,750	22,477	-
Other Debt Expenses	748	750	10,250	-
<b>Total Debt Service</b>	<b>54,498</b>	<b>254,500</b>	<b>532,727</b>	<b>-</b>
<b>Total Reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Capital</i>				
Land	-	-	-	-
Building & Improvements	-	-	821,426	-
Equipment, Vehicles, & Machinery	75,512	9,328	369	2,600
<b>Total Capital</b>	<b>75,512</b>	<b>9,328</b>	<b>821,795</b>	<b>2,600</b>
<b>Total Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Intergovernmental</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Division Grand Total</b>	<b>222,350</b>	<b>401,500</b>	<b>1,555,362</b>	<b>155,223</b>

# City of Del Rio FY 2003-2004 Adopted Budget Expenditures for Airport Fund



Personnel	49,981
Supplies	23,575
Contractual	79,067
Debt Service	
Capital	2,600
Total	155,223

**SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM  
DOCKET OST-2004-17343**

**SUMMARY INFORMATION**

All applicants must submit this information along with their proposal. Previous applicants may incorporate by reference all or any portion of their initial proposals in Docket OST-2004-17343, but must also submit this summary information to be considered for a grant award from the FY 2004 funding for the Small Community Program in this docket. Additionally, the Office of Management and Budget (OMB) issued a new policy with respect to applications for federal grants. Effective October 1, 2003, applicants for federal grants must include in their applications their DUNS number.

DUNS Number      07 848 2262

**A.      Applicant Information (CHECK ALL THAT APPLY)**

- ☐ Not a Consortium      ☐ Interstate Consortium      ☒ Intrastate Consortium  
☐ Community now receives EAS subsidy

**Point of Contact:**

Community Name      City of Del Rio  
Address 1              109 W Broadway  
Address 2              \_\_\_\_\_  
City, State Zip code      Del Rio, TX, 78840  
Point of Contact:      Jack L Richardson

Phone: (830) 774-8538  
Fax: (830) 703-5331  
Email: airport@wcsonline.net  
County: Val Verde

Community Name      \_\_\_\_\_  
Address 1              \_\_\_\_\_  
Address 2              \_\_\_\_\_  
City, State Zip code      \_\_\_\_\_  
Point of Contact:      \_\_\_\_\_

Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_  
County: \_\_\_\_\_

Community Name      \_\_\_\_\_  
Address 1              \_\_\_\_\_  
Address 2              \_\_\_\_\_  
City, State Zip code      \_\_\_\_\_  
Point of Contact:      \_\_\_\_\_

Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_  
County: \_\_\_\_\_

DESIGNATED LEGAL SPONSOR: (MUST BE A GOVERNMENT ENTITY)

Point of Contact

Name	Dora Alcala	Phone:	(830) 774-8510
Title	Mayor	Fax:	(830) 774-8542
Organization	City of Del Rio	Email:	mayor@wcsonline.net
Address 1	109 W Broadway St	City:	Del Rio
Address 2		State:	Texas
		Zip:	78840

PUBLIC/PRIVATE PARTNERSHIPS: (LIST ORGANIZATION NAMES)

Public

Private

1. City of Del Rio	1. Continental Airlines
2.	2. Sky West Airlines
3.	3.
4.	4.
5.	5.

B. PROJECT INFORMATION

PROJECT PROPOSAL: (CHECK ALL THAT APPLY)

<input checked="" type="checkbox"/> Marketing	<input type="checkbox"/> Upgrade Aircraft	<input checked="" type="checkbox"/> New Route
<input type="checkbox"/> Personnel	<input type="checkbox"/> Increase Frequency	<input checked="" type="checkbox"/> Low Fare Service
<input type="checkbox"/> Travel Bank	<input checked="" type="checkbox"/> Service Restoration	<input type="checkbox"/> Surface Transportation
<input checked="" type="checkbox"/> Subsidy	<input type="checkbox"/> Regional Service	<input type="checkbox"/> Other (specify)
<input checked="" type="checkbox"/> Revenue Guarantee	<input checked="" type="checkbox"/> Launch New Carrier	_____
<input checked="" type="checkbox"/> Start Up Cost Offset	<input type="checkbox"/> First Competitive Service	_____
<input type="checkbox"/> Study	<input type="checkbox"/> Secure Additional Carrier	_____

PROJECT GOAL: PROJECT IS INTENDED TO ADDRESS PROBLEMS INVOLVING (CHECK ALL THAT APPLY)

<input type="checkbox"/> High Fares	<input checked="" type="checkbox"/> Insufficient Air Service	<input type="checkbox"/> Unique Airport Circumstance
<input checked="" type="checkbox"/> Access to National Transportation System Needed		<input type="checkbox"/> Other (specify)

PLEASE PROVIDE A BRIEF SYNOPSIS (IN ONE PARAGRAPH) OF THE HIGHLIGHTS OF YOUR PROPOSAL.

CONTINENTAL AIRLINES, IN CONJUNCTION WITH SKY WEST AIRLINES, HAVE EXPRESSED INTEREST  
IN PROVIDING TWO FLIGHTS A DAY FROM DEL RIO, TEXAS TO THEIR HUB IN HOUSTON, TEXAS.  
AIRCAP OF GRAPEVINE, TEXAS HAS ALSO EXPRESSED INTEREST IN PROVIDING THIS SERVICE.  
THE COMMUNITY IS ABLE TO PROVIDE \$106,250 THIS FISCAL YEAR TO ASSIST IN A SUBSIDY OR RISK  
SHARING TYPE OF OPERATION.

**PROJECT COST:**

Federal amount requested:	<u>\$318,750</u>
Total local cash financial contribution:	<u>\$106,250</u>
Airport funds:	<u>.00</u>
Non-Airport funds:	<u>\$106,250</u>
State cash financial contribution:	<u>.00</u>
Existing funds:	<u>\$106,250</u>
New funds:	
Airport In-kind contribution:	<u>\$5,029 ( waiver of office rent)</u>
(amount & description)	
Other In-Kind contribution:	<u>undetermined</u>
(amount & description)	
Total cost of project:	<u>\$430,209</u>

**C. AIR SERVICE DEVELOPMENT ZONE: (CHECK BOX IF INTERESTED IN DESIGNATION)** ☒ **X**

**D. LOCAL AIRPORT INFORMATION: (WHERE SERVICE WOULD BE PROVIDED)**

Airport Name: Del Rio International Airport  
 Airport City: Del Rio  
 Airport State: Texas  
 Airport Code: KDRT

## EXISTING LANDING AIDS AT LOCAL AIRPORT:

- ☐ Full ILS                      ☒ Outer/Middle Marker    ☐ Published Instrument Approach  
☒ Localizer                      ☒ Other (specify)

## EXISTING SERVICE: (CHECK ALL THAT APPLY)

- ☐ Jet service    ☐ Low Fare Service    ☐ Turboprop    ☒ No Existing Service

## AIR CARRIER(S) SERVING AIRPORT:

<u>Air Carriers</u>	<u>Air Carriers</u>
1. Only Air Cargo Carriers	6.
2.	7.
3.	8.
4.	9.
5.	10.

## CURRENT FLIGHT INFORMATION: (PLEASE PROVIDE ATTACHMENT IF YOU NEED MORE ROOM)

Number of non-stop round trip flights per destination: No air passenger  
 Number of one-stop, single-plane round trip flights carriers are operating  
 per destination per week (identify services that are from Del Rio International Airport  
 seasonal and dates of service):  
 Aircraft Type (include number of seats)

## ENPLANEMENTS (LAST FIVE CALENDAR YEARS TO THE EXTENT APPLICABLE)

1999 4,154                      2002 None reported  
 2000 889                      2003 None reported  
 2001 None reported

## E. AIRFARES: (PROVIDE CURRENT AVAILABLE AIRFARES FOR Top 3 O&amp;D MARKETS-IF APPLICABLE)

O&D Market: No air passenger service                      Airfare: \_\_\_\_\_  
 O&D Market: \_\_\_\_\_                      Airfare: \_\_\_\_\_  
 O&D Market: \_\_\_\_\_                      Airfare: \_\_\_\_\_



## F. PROXIMITY OF OTHER AIRPORTS: (BASED ON MOST RECENT FAA ENPLANEMENT DATA)

What is your closest:

Non-hub (w/jet service)	Name <u>Laredo, TX</u>
Small Hub	Name <u>Corpus Christi, TX</u>
Medium Hub	Name <u>San Antonio, TX</u>
Large Hub	Name <u>Dallas or Houston, X</u>
Low-fare service	Name <u>Southwest Airlines</u>

**OFFICE OF THE SECRETARY  
DEPARTMENT OF TRANSPORTATION**

**TITLE VI ASSURANCE**  
(Implementing Title VI of the Civil Rights Act of 1964, as amended)

**ASSURANCE CONCERNING NONDISCRIMINATION ON THE  
BASIS OF DISABILITY IN FEDERALLY-ASSISTED PROGRAMS  
AND ACTIVITIES RECEIVING OR BENEFITING FROM  
FEDERAL FINANCIAL ASSISTANCE**

(Implementing the Rehabilitation Act of 1973, as amended, and the  
Air Carrier Access Act of 1986)

49 CFR Parts 21 and 27 and 14 CFR Parts 271 and 382

City of Del Rio (the Grant Recipient) HEREBY AGREES THAT,  
(Name of Grant Recipient)

1. As a condition to receiving any Federal financial assistance from the Department of Transportation, it will comply with Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d-4; all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation--Effectuation of Title VI of the Civil Rights Act of 1964; and other pertinent directives so that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Recipient receives Federal financial assistance from the Department of Transportation. This assurance is required by Title 49, Code of Federal Regulations, section 21.7(a) and Title 14, Code of Federal Regulations, section 271.9(c).

11. As a condition to receiving any Federal financial assistance from the Department of Transportation, it will comply with: section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794); the Air Carrier Access Act of 1986 (49 U.S.C. 1374(c)); and all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Part 27, Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance, Title 14, Code of Federal Regulations, Part 382, Nondiscrimination on the Basis of Handicap in Air Travel; and other pertinent directives so that no otherwise qualified person with a disability, be excluded from participation in, be denied the benefits of, be discriminated against by reason of such handicap in the provision of air transportation, or otherwise be subjected to discrimination under any program for which the Recipient receives Federal financial assistance

## APPENDIX C

from the Department of Transportation. This assurance is required by Title 49, Code of Federal Regulations, section 27.9 and Title 14, Code of Federal Regulations, sections 271.9(c) and 382.9.

III It will promptly take any measures necessary to effectuate this agreement. The Recipient further agrees that it shall take reasonable actions to guarantee that it, its contractors and subcontractors subject to the Department of Transportation regulations cited above, transferees, and successors in interest will comply with all requirements imposed or pursuant to the statutes and Department of Transportation regulations cited above, other pertinent directives, and the above assurances.

IV. These assurances obligate the Recipient for the period during which Federal financial assistance is extended. The Recipient agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the statutes and Department of Transportation regulations cited above, other pertinent directives, and the above assurances.

V. These assurances are given for the purpose of obtaining Federal grant assistance under the Small Community Air Service Development Pilot Program and are binding on the Recipient, contractors, subcontractors, transferees, successors in interest, and all other participants receiving Federal grant assistance in the Small Community Air Service Development Pilot Program. The person or persons whose signatures appear below are authorized to sign this agreement on behalf of the Grant Recipient.

VI. In addition to these assurances, the Recipient agrees to file: a summary of all complaints filed against it within the past year that allege violation(s) by the Recipient of Title VI of the Civil Rights Act of 1964, as amended, section 504 of the Rehabilitation Act of 1973, as amended, or the Air Carrier Access Act of 1986; or a statement that there have been no complaints filed against it. The summary should include the date the complaint was filed, the nature of the complaint, the status or outcome of the complaint (i. e., whether it is still pending or how it was resolved).

Date

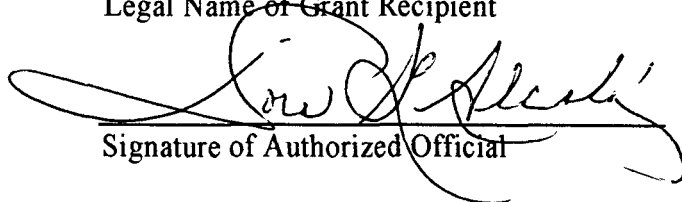
May 12, 2004

By:

City of Del Rio

Legal Name of Grant Recipient

Signature of Authorized Official



UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
OFFICE OF AVIATION ANALYSIS

CERTIFICATION REGARDING INFLUENCING ACTIVITIES

Certification for Contracts, Grants, Loans,  
and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

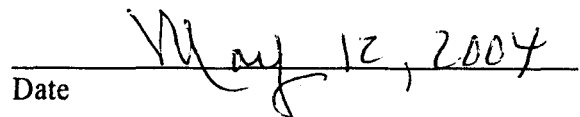
(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Influencing Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

  
Signature

  
Date

Mayor  
Title

City of Del Rio  
Grant Recipient

**SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM****GRANT ASSURANCES**

**Certification.** The Grantee hereby assures and certifies, with respect to this grant, that:

**1. General Federal Requirements.** It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

**Federal Legislation**

- a. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.
- b. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq. Airport Assurances (9/99)
- c. Hatch Act - 5 U.S.C. 1501, et seq.
- d. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq.
- e. National Historic Preservation Act of 1966 - Section 106 - 16 U.S.C. 470(f).
- f. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.
- g. Native Americans Grave Repatriation Act - 25 U.S.C. Section 3001, et seq.
- h. Clean Air Act, P.L. 90-148, as amended.
- i. Coastal Zone Management Act, P.L. 93-205, as amended.
- j. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.1
- k. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.
- l. American Indian Religious Freedom Act, P.L. 95-341, as amended.
- m. Architectural Barriers Act of 1968 - 42 U.S.C. 4151, et seq.
- n. Power Plant and Industrial Fuel Use Act of 1978 - Section 403 - 42 U.S.C. 8373.
- o. Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.
- p. Copeland Anti-kickback Act - 18 U.S.C. 874.
- q. National Environmental Policy Act of 1969 - 42 U.S.C. 4321, et seq.
- r. Wild and Scenic Rivers Act, P.L. 90-542, as amended.
- s. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq.

**Executive Orders**

Executive Order 11246 - Equal Employment Opportunity  
 Executive Order 11990 - Protection of Wetlands  
 Executive Order 11998 - Flood Plain Management  
 Executive Order 12372 - Intergovernmental Review of Federal Programs.  
 Executive Order 12898 - Environmental Justice

**Federal Regulations**

- a. 14 CFR Part 13 - Investigative and Enforcement Procedures.
- b. 14 CFR Part 16 - Rules of Practice For Federally Assisted Airport Enforcement Proceedings.
- c. 29 CFR Part 1 - Procedures for predetermination of wage rates.
- d. 29 CFR Part 3 - Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.
- e. 29 CFR Part 5 - Labor standards provisions applicable to contracts covering federally financed and as-

sisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).

f. 41 CFR Part 60 - Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements).

g. 49 CFR Part 18 - Uniform administrative requirements for grants and cooperative agreements to state and local governments.

h. 49 CFR Part 23 - Participation by Disadvantaged Business Enterprise in Airport Concessions.

i. 49 CFR Part 24 - Uniform relocation assistance and real property acquisition for Federal and federally assisted programs.

j. 49 CFR Part 26 -- Participation by Disadvantaged Business Enterprises in Department of Transportation Programs.

k. 49 CFR Part 30 - Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.

#### **Office of Management and Budget Circulars**

a. A-87 - Cost Principles Applicable to Grants and Contracts with State and Local Governments.

b. A-133 - Audits of States, Local Governments, and Non-Profit Organizations

Specific assurances required to be included in grant agreements by any of the above laws, regulations, or circulars are incorporated by reference in the grant agreement.

#### **2. Responsibility and Authority of the Grantee.**

a. It has legal authority to apply for the grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

**3. Fund Availability.** It has sufficient funds available for that portion of the project costs that are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under the grant agreement that it will own or control.

#### **4. Preserving Rights and Powers.**

a. It will not take or permit any action that would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in the grant agreement without the written approval of the DOT, and will act promptly to acquire, extinguish, or modify any outstanding rights or claims of right of others that would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the DOT.

#### **5. Accounting System, Audit, and Record Keeping Requirements.**

a. It shall keep all project accounts and records that fully disclose the amount and disposition by the recipient of the proceeds of the grant, the total cost of the project in connection with which the grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.

b. It shall make available to the DOT and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers,

UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
OFFICE OF AVIATION ANALYSIS

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS  
IN THE PERFORMANCE OF SMALL COMMUNITY AIR SERVICE PURSUANT TO GRANT AWARD  
UNDER THE SMALL COMMUNITY AIR SERVICE DEVELOPMENT PILOT PROGRAM

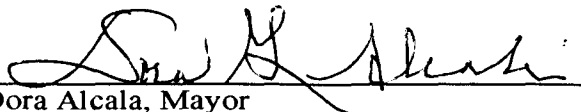
A. The grant recipient certifies that it will, or will continue, to provide a drug-free workplace by:

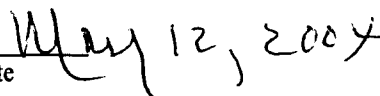
- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grant recipient's workplace, and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing an ongoing drug-free aware program to inform employees about-
  - (1) The dangers of drug abuse in the workplace;
  - (2) The grantees policy of maintaining a drug-free workplace;
  - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
  - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) Making it a requirement that each employee to be engaged in the performance of work supported by the grant award be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment supported by the grant award, the employee will-
  - (1) Abide by the terms of the statement; and
  - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of conviction. Employers of convicted employees must provide notice, including position title, to the Office of Aviation Analysis. Notice shall include the order number of the grant award;
- (f) Taking one of the following actions, within 30 days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted-
  - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended, or
  - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a) through (f).

B. The grant recipient may, but is not required to, insert in the space provided below the site for the performance of work done in connection with the specific grant.

Places of Performance (street address, city, county, state, zip code). For the provision of air service pursuant to the grant award, workplaces include outstations, maintenance sites, headquarters office locations, training sites and any other work sites where work is performed that is supported by the grant award.

Check ☐ if there are workplaces on file that are not identified here.

  
Dora Alcalá, Mayor

  
Date May 12, 2004

and records of the recipient that are pertinent to the grant. The DOT may require that a recipient conduct an appropriate audit. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which the grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

**6. Minimum Wage Rates.** It shall include, in all contracts in excess of \$2,000 for work on any projects funded under this grant agreement that involve labor, provisions establishing -minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S. C. 276a-276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated 'in the invitation for bids and shall be included in proposals or bids for the work.

**7. Economic Nondiscrimination.** In any agreement, contract, lease, or other arrangement under any project funded under this grant agreement and for which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for finishing services to the public at the airport, the Grantee will insert and enforce provisions requiring the contractor to (1) finish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and (2) charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

**8. Engineering and Design Services.** It will award each contract or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping, or related services with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under Title IX of the Federal Property and Administrative Services Act of 1949 or an equivalent qualifications-based requirement prescribed for or by the Grantee.

**9. Foreign Market Restrictions.** It will not allow funds provided under this grant to be used to fund any project that uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

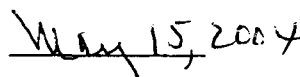
**10. Relocation and Real Property Acquisition.** (1) It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B. (2) It will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24. (3) It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

City of Del Rio

Grant Recipient



Dora Alcalá, Mayor



Date



## OFFICE OF THE SECRETARY OF TRANSPORTATION

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER  
RESPONSIBILITY MATTERS -- PRIMARY COVERED TRANSACTIONS

## Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
  2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
  3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
  4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
  5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
  6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
  7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
  8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and
-

frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

**Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions**

(1) The prospective primary participant certifies to the best of its knowledge and belief that it and its principals:

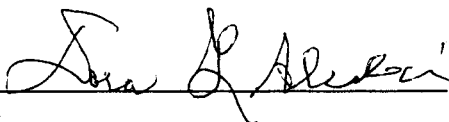
(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.



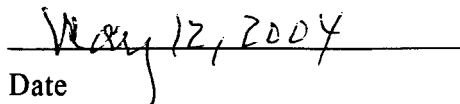
Name

City of Del Rio

Affiliation

Mayor

Title



Date